Daily Report

Latin America

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UN Conference on Crime Prevention Continues

Castro Attends Reception

FL0709131090 Havana Tele Rebelde Network in Spanish 1100 GMT 7 Sep 90

[Text] In response to the recent reception given by the Cuban Government, the organizers of the Eighth UN Conference on Crime Prevention and Rehabilitation held a reception in Havana. Commander in Chief Fidel Castro, president of the Councils of State and Ministers and first party secretary, attended the reception given by Margaret Joan Anstey, general secretary of the Eighth UN Conference on Crime Prevention and Rehabilitation. Anstey, who is also the director of the UN office in Vienna, gave this reception for the delegates and guests at this UN event being held in Cuba.

The reception, held in the Protocol Room at the Cubanacan, was attended by other party and government officials. Members of the diplomatic corps accredited in our country were also invited. The commander in chief (?talked with) the UN officials and expressed interest in what had occurred at the Eighth Conference. He also talked with the delegates and guests who attended this reception and asked about how the event was going and about their stay in our country.

Draft Resolution Presented

FL0709152590 Havana Television Service in Spanish 0000 GMT 7 Sep 90

[Excerpt] On the penultimate day of the Eighth UN Conference on Crime Prevention and Rehabilitation, nongovernmental organizations held supplementary meetings. Some commissions made recommendations on draft proposals and details were finalized on documents that will be approved by the plenum.

In the afternoon, Dr. Juan Escalona, president of the conference, presented the draft resolution entitled "Social Aspects of Crime Prevention and Rehabilitation." This draft notes the need for the United Nations to prioritize the analysis of the social repercussions of crime prevention in all countries, especially developing nations where economic adjustment programs have not always taken into consideration the social consequences that could affect the poorer sectors of society.

The draft resolution is the result of official consultations held with all the countries present at the event. [passage omitted]

Draft Resolutions Approved

FL0709205590 Havana Radio Reloj Network in Spanish 2002 GMT 7 Sep 90

[Text] The 12 draft resolutions discussed by committee number one of the Eighth UN Conference on Crime Prevention and Rehabilitation were approved by consensus during the final plenary session of the forum which will close at Havana's Palace of Conventions today. Among the documents approved are those related to basic principles for the treatment of inmates, crime prevention and education, preventive imprisonment, and AIDS infection in prisons.

The representatives of 129 countries participating in the meeting approved the plan to establish an international year of rehabilitation of criminals. It was noted that this would also be extended to assistance to victims. The UN conference on crime prevention also approved four draft resolutions analysed by committee number two.

Conference Concludes

FL0809153190 Havana Tele Rebelde Network in Spanish 1025 GMT 8 Sep 90

[Excerpts] With the last strike of the gavel, the president of the Eighth UN Conference on Crime Prevention and Rehabilitation closed this forum [on 7 September]. The plenum's report was approved during the last session of the congress. [passage omitted]

At the conclusion of the conference, Ms. Margaret Anstee and Juan Escalona, secretary general and president of the event, respectively, granted a news conference. The only resolution that was not approved was the one pertaining to a three-year moratorium on the death penalty.

[Begin recording] [Unidentified reporter] I would like to know why all the members of the United Nations have not agreed to suspend this punishment for three years throughout the world. I would also like to know what Cuba's position is on this matter.

[Escalona] I think that one of the resolutions that people worked hard to reach a consensus on was the one on the death penalty and the moratorium proposed by West European countries.

Evidently, as was said by some of the delegates who explained their vote at the congress, it seems that the moment of unanimity has not arrived. There are many different reasons for this. There are problems, cultural factors, religious factors, and situations that are implicit to each of the peoples represented at the congress.

Many Arab countries disagreed with the moratorium. There was even a need for an initial vote because one of these countries suggested postponing discussion of this topic until the ninth UN crime prevention conference. As a result, a large number of countries abstained on this issue. Cuba abstained; it did not vote for or against this resolution. Cuba abstained. A group of other countries abstained, including the Holy See. The Vatican abstained. Cuba and the Holy See took a similar position on this matter. This was the voluntary and democratic decision of the conference. [passage omitted] [end recording] [passage omitted]

The increase of crime and its affect on economic development and the quality of life is the reason for this

meeting of 129 countries and nongovernmental organizations. The seriousness of this problem is the reason that attorney generals, judges, lawyers, and specialists meet every five years. On this occasion, the delegates worked with a favorable sense of cooperation.

It is a shame that the United States, the country with the highest crime rate, turned its back on these proposals by not attending this event.

Castro Comments on Death Penalty

FL0809023090 Havana Radio Rebelde Network in Spanish 2300 GMT 7 Sep 90

[Text] Once the working sessions of the Eighth UN Conference on Crime Prevention and Rehabilitation ended, Commander in Chief Fidel Castro, president of the Councils of State and Ministers, shared some moments with the UN and Cuban staff that worked on this important international event. Here follows an excerpt of his remarks:

[Begin Castro recording] I tell you that aside from the results of that debate and the vote, the subject discussed is important. That did not end here. Everything that was said will have an effect. It helps us all to ponder, to think, to ascertain which is the mood, what the world thinks at this time, what it thinks on the issue related to the moratorium of the death penalty. We have thought a lot about this. I personally have thought about it. Sometimes.... [changes thought] Well, I understand that the public opinion does not always have the same view. In general, the public opinion is pretty demanding on all this.

I remember a case that happened recently here. It was a very repulsive criminal act. An individual wanted to rob a number of people. They were old ladies. He impersonated no other than a family doctor. People trust family doctors very much. He entered the homes and strangled three people within a short period of time. He did this to steal insignificant things. It would have not been justified if he had stolen much more. Of course, once the people found out about it they became very upset. The people demanded the harshest punishment for that person.

I ask myself if that person can be considered a normal person. I understand that there is a legal principle that the abnormal person cannot be held responsible. I think they are truly crazy people. If someone said that because of a different principle—because it would be cruel to lock up someone for 30 years inasmuch as it would be a burden to society, it can be anything but above all it is cruel to have a human being locked up for 30 years, that it would be better for society if it decided to make a decision as a preventive measure—I would understand it better than if they told me that it has to be done to serve justice. I do not see justice served when someone who is not normal is sanctioned. All kinds of people are born in the world and these type of persons are among them.

Many times that has nothing to do with culture. I was born in the countryside, and I met many peasants who were illiterate, who did not know how to read or write. They were illiterate but did not do those things.

I explain this to you because I believe it is a subject that needs to be analyzed and thought about. I have my personal view on that matter aside from the public opinion. I should say that some countries have problems because the public opinion is very demanding in that regard. Some countries, such as ours, are under special circumstances. Our country is being blocked and threatened. It is under a special situation and it has to defend itself. We will not be unaware of the international trend on this matter. This is why I believe that despite the stands in favor or against the moratorium, this subject discussed here will make many people think about the matter. It will create an awareness.

Although a consensus was not reached in this conference—a consensus means that the vast majority have one view on the subject—a consensus will be reached as years go by. So, the minutes spent in the debate and the discussion were not lost. I think they have given a broader and a more democratic nature to this conference.

Someone said yesterday that of all the conferences held this one appeared to be the best one or the best organized one. I said, well, until the next one, because everyone uses experience and organizes the following one better. I hope that each conference is better and that this institution can give humankind the noble services expected from it. [end recording]

The Cuban president praised the organization of the conference and the professionalism of the UN personnel.

[Begin Castro recording] In reality, I think it is fair, I would say extremely fair, that the last minutes of this event were dedicated to recognize those who worked to achieve the conference's success. I have talked with many delegates and the view has been practically unanimous that the conference has been very well organized and that the services have been very efficient. I also have had the opportunity of talking with many of the officials. I have greeted them and exchanged views. I was able to notice that the personnel were very well selected and that they are very efficient. I would like to say that they are not selected but that all of those the United Nations choses are excellent people. [sentence as heard] [end recording]

SELA Holds Conference of Ministers in Caracas

Members Divided on Bush Initiative

PA0709151190 Hamburg DPA in Spanish 2354 GMT 6 Sep 90

[Report by Esteban Engel]

[Text] Caracas, 6 Sep (DPA)—Judging by a document circulating among the participants at the Latin American Economic System (SELA) ministers meeting, over 20 foreign and economy ministers from Latin America and the Caribbean gathered in Caracas, but separated by their governments' particular interests, will pass up an opportunity to adopt a common position on the Initiative for the Americas of U.S. President George Bush.

The draft final resolution of the SELA meeting, which ends tomorrow, proposes postponing a definite response to the White House initiative to create a free commerce zone in the hemisphere until early next year.

In his 27 June initiative, in addition to the creation of a free commerce zone, Bush proposed alleviating the foreign debt.

The draft document proposes an in-depth study of the proposal's different elements and the options it may contain, taking into account statements made regarding the different integration systems and the positions assumed by the different countries in the SELA Council.

According to the text drafted during the technical stage of the meeting—which may still be modified by the ministers—the initiative is "interesting" but "embryonic, complex, and vague."

It has been learned that Cuba has flatly oppos. l the inclusion of the initiative on the agenda of the ministerial meeting.

Havana's opposition could leave its mark on the final text, since, in that part of the draft that mentions taking into account the interests of "all" member countries, the final document would read "the" member countries of SELA.

Venezuelan President Carlos Andres Perez, who has supported Bush's proposal from the beginning, today indirectly criticized several countries of the region that are absorbed in the creation of their own sub-regional markets, such as Argentina, Brazil, and Uruguay.

Mexico has also adopted a cautious attitude at the ministerial meeting due to the possibility of joining a common market with the United States and Canada, thus, becoming another target of criticism for the Venezuelan president.

The Venezuelan president called for taking up the "challenge" of a common position toward the initiative and forgetting "national and sub-regional pride" that appeared after the announcement of Bush's plan.

According to Perez, the initiative has "historical value" and opened the doors for the United States and Latin America to benefit equally.

However, SELA's permanent secretary, Carlos Perez del Castillo, has admitted that the proposal was not due to the generosity of the United States, but as a consequence of a "strategic option" in view of the loss of its hegemony.

Cuba's Malmierca Criticizes Proposal

FL0809030790 Havana Television Service in Spanish 0000 GMT 8 Sep 90

[Text] During the 16th Council of the Latin American Economic System, SELA, Cuba criticized today President George Bush's so-called Initiative for the Americas and termed it a new and perverse instrument of U.S. dominance in the area. Speaking at the closing session of the regional council held in Caracas, Venezuela, Cuban Foreign Minister Isidoro Malmierca said this so-called U.S. initiative continues to be unspecific, insufficient, and opportunistic. These traits have been present in previous attempts made by this and other U.S. Administrations such as the Alliance for Progress, the Caribbean Basin Initiative, and the Baker plan. He said an appropriate response to this U.S. plan would be to make progress in terms of collaboration, cooperation, and integration among our countries.

Likewise, Minister Malmierca criticized the United States' constant boycott to prevent Cuba from hosting the Eighth UN Conference on Trade and Development, UNCTAD, and the violation by the U.S. Administration of the Cuban sovereignty and international laws by resuming television broadcasts to our territory.

Elsewhere during his remarks before the SELA meeting, Isidoro Malmierca characterized the U.S. intention of creating a free trade zone in the entire continent as an attempt aimed at dividing the countries of the region. He said that for every dollar invested in area countries, Yankee international companies have earned more than twice as much.

Members Endorse India's Refugee Request

PA0809224790 Paris AFP in Spanish 2031 GMT 8 Sep 90

[Text] Caracas, 8 Sep (AFP)—Venezuelan Foreign Minister Reinaldo Figueredo stated in Caracas today that Latin America and the Caribbean support India's request for the UN Security Council to urgently study the situation of refugees caught in the Persian Gulf conflict.

Figueredo was the spokesman for "an informal meeting of foreign ministers" from 18 Latin America and Caribbean countries held today after the 16th Latin American Economic System (SELA) Council meeting concluded.

"Latin America and the Caribbean extend their complete solidarity with regard to India's request. Immediate attention must be given to the serious problem of the more than 1.5 million Asian refugees who, together with one million Palestinians, are in the middle of a critical situation," Figueredo said.

"A great deal of attention has been given to the situation of a large group of Westerners who are there in the areas of the Persian Gulf most in conflict, but nothing is said about more than 2.5 million people from other countries who are in danger of suffering serious illness and sudden death," the diplomat said.

The Indian Government "has sent us its proposal. The document indicates that the refugees' situation is such that they do not even have food and medicine. This situation has become very serious. The plight of these people is given less attention than that of Westerners who are in the danger areas," Foreign Minister Figueredo added.

"It is necessary for the UN Security Council to accept India's proposal and convene a meeting immediately. Latin America is willing to lend its voice at the UN, initially at the Security Council and later in the General Assembly," the foreign minister added.

"The response to India's request has been unanimous," Figueredo noted.

Today's Latin American meeting was attended by 12 foreign ministers, three deputy foreign ministers, and finance ministers and special representatives from Brazil, Cuba, Mexico, Argentina, Colombia, Chile, Uruguay, Ecuador, Peru, Bolivia, Suriname, Jamaica, Guyana, Venezuela, and the Central American countries.

Regional Security Reviewed

PA0909232390 Paris AFP in Spanish 2228 GMT 8 Sep 90

[Text] Caracas, 8 Sep (AFP)—Venezuelan Foreign Minister Reinaldo Figuerdo stated at the close of a meeting with colleagues and representatives of 18 area countries in Caracas on 8 September that the governments of Latin America and the Caribbean have agreed to review the continental security system and create their own.

Beginning three years ago, an "informal foreign ministers' dialogue" has taken place as part of the yearly Latin American Economic System (SELA) Ministerial Council meeting. This meeting ended on 7 September, with the 26 attending countries approving, "through specific periodic meetings, further studies of their foreign economic relations."

Conferences will be held to discuss the Initiative for the Americas, in which U.S. President George Bush proposed a hemispheric "free trade zone," and relations with Japan and the EC.

Venezuela and other governments had sought a political statement that would welcome the Bush initiative, but according to conference sources, Cuba and Mexico opposed it.

Cuba directly opposed the Bush initiative, highlighting its insufficiencies and contradictions, while Mexico argued that more studies were needed before making any joint declarations.

Figueredo said: "All representatives agreed that the three aspects of the Bush initiative—trade, debt, and investments—are important, but our interest relates to our integration. The initiative should be part of the effort the region is making in this field."

Figueredo highlighted another agreement at the meeting: "It is clear that Latin American and Caribbean countries have a different perspective with regard to security than do the superpowers. Yesterday, it was to fight communism; today, our problems have to do with economic stability and drug trafficking."

"All the foreign ministers agreed that what is needed is for Latin America to make its own effort to define its own priorities and the way its security system should be organized," Figueredo said.

"We are going to create a follow-up mechanism that will soon make recommendations to our governments on how to deal with these problems," Figueredo added.

The proposal would mean reviewing the Inter-American Reciprocal Assistance Treaty (TIAR), which passed it toughest test when the United States backed the United Kingdom during the Falklands War.

The foreign ministers also reviewed the work of the OAS. "Remember that within the OAS there are mechanisms to adjust and work to be defined to better address our priorities," Figueredo said.

"We realize that many of Latin America's basic problems are not adequately addressed at this forum. As the Bush initiative itself says, there should be two Americas which should talk there," Figueredo added.

Lastly, the foreign ministers' meeting backed India's request for the UN Security Council to urgently consider the situation of 2.5 million Asian and Palestinian refugees in the Persian Gulf area whose lives are in danger due to lack of food and medicine.

The meeting was attended by foreign ministers Carlos Iturralde (Bolivia), Isidro Malmierca (Cuba), Enrique Silva Cimma (Chile), Diego Cordovez (Ecuador), Jose Pacas Castro (El Salvador), Rashleigh Jackson (Guyana), David Core (Jamaica), Fernando Solana (Mexico), Enrique Dreyfus (Nicaragua), Julio Linares (Panama), Edwin Sedoc (Suriname), and Reinaldo Figueredo (Venezuela).

Also attending the meeting were deputy foreign ministers Rodrigo Pardo Garcia Pena (Colombia), Hugo Rosal

(Guatemala), and Eduardo Mezzera (Uruguay); economy ministers Gonzalo Fajardo (Costa Rica), Oscar Pineda (Guatemala), Ramon Medina (Honduras), and Arturo Martinez (Dominican Republic); and special representatives Raul Garigagno (Argentina) and Sergio de Abreu e Lima (Brazil).

Meeting Closes; Decisions Enumerated

PA0909164890 Paris AFP in Spanish 0053 GMT 8 Sep 90

[Text] Caracas, 7 Sep (AFP)—At the close of the 16th SELA [Latin American Economic System] Council of Ministers meeting on Friday, it was decided that SELA will convene a consultative meeting on the relations between Caribbean and Latin American nations and the United States, focusing on an analysis of U.S. President George Bush's Initiative for the Americas. The consultative meeting will most probably be held in the first half of 1991.

The 16th meeting was opened in Caracas, SELA's headquarters, on Thursday, with the attendance of 23 foreign or economy ministers of the organization's 26 member states.

The Bush initiative to create a free trade zone in the hemisphere occupied a large portion of the debates. There were contradicting opinions, particularly between Cuba and the nations who are enthusiastic over the U.S. President's idea.

In view of this, the Council of Ministers ordered an in-depth study of various portions of the proposal, taking into consideration statements made in the subregional integration proposals by the individual countries.

The Council of Ministers ordered the SELA's Permanent Secretariat to convene the consultative meeting.

Carlos Perez del Castillo of Uruguay, SELA permanent secretary, said that "a spirit of solidarity and consensus with clear instructions for the SELA Secretariat to favor the regional integration proposals" prevailed during the meeting.

In addition, the Council of Ministers made these decisions:

Regional common markets: The Council ordered SELA to start acting as a coordinating body for the subregion's attempts to establish common markets in Latin America, always with an eye on Latin American integration.

After stating that many member countries have been delinquent in their payments to SELA, Perez del Castillo said that his office will undertake these tasks and expects to collect the necessary resources.

Foreign debt: The Council adopted the document issued by the June regional conference as its own, and agreed to send it to the UN General Assembly to be distributed among the various countries.

EEC: The Council ordered the SELA Secretariat to work on a feasible negotiation agenda with the Group of Twelve of Europe. The Secretariat is to examine the outlook for the European Common Market, which will begin operating in 1993, identify the potential for the region, and then submit a report to the coming Latin American Council of 1991.

Japan: The ministers decided that SELA should convene another consultative meeting in the first half of 1991 to consider the Japanese market's potential for the region.

International trade: In the light of the final stage of the GATT meeting to be held in Uruguay in December, the Council of Ministers agreed to hold a consultative meeting in Geneva in October for a final assessment of the negotiations.

Peru: The Council devoted a chapter of its agenda to its economic situation, and agreed "to express its solidarity with and support for the Peruvian Government's efforts to overcome the country's economic and social crisis." The Council also offered SELA's cooperation in attaining the objectives established by President Alberto Fujimori's new government.

Finally, the Council swore in Guyanese diplomat Noel Gordon Sinclair as SELA's assistant permanent secretary, to replace Henry Gill of Barbados.

Cristiani Opens C.A. Vice Presidents' Meeting

PA0809005090 San Salvador Domestic Service in Spanish 1551 GMT 7 Sep 90

[Speech by Salvadoran President Alfredo Cristiani at the inauguration of the 14th meeting of Central American and Panamanian vice presidents at the Foreign Ministry in San Salvador—live]

[Text] President of the Legislative Assembly, Vice President of the Republic of El Salvador, Costa Rican Vice President German Serrano, Guatemalan Vice President Roberto Carpio Nicolle, Honduran Presidential Representative Dr. Jacobo Hernandez, Nicaraguan Vice President Dr. Virgilio Godoy, Panamanian Vice President Ricardo Arias Calderon, Salvadoran Deputy Foreign Minister Ricardo Orlando Valdivieso, San Salvador municipal mayor, ambassadors and chiefs of diplomatic missions accredited in our country, members of the cabinet, deputies, ladies and gentlemen:

I am pleased to extend a cordial and friendly greeting to the vice presidents and delegations attending this 14th meeting of the Central American and Panamanian vice presidents. We are greatly honored by your visit to our country, part of the Central American fatherland that was liberated on a glorious 15 September in 1821, and feel that we are all among brothers.

The noble and patriotic spirit of the great men who gained independence and freedom for us is alive in our hearts with a spirit of unity, brotherhood, and solidarity among our brother nations. Within the framework of our

independence celebrations, we wish to reiterate for the neighboring presidents and peoples the historic commitment we have to fighting for the unity of Central America and making it the great fatherland that our forefathers had in mind.

As part of that solidarity, earlier this week we had the pleasure of attending with our Central American brothers and other friends an international seminar on Strategies to Eradicate Poverty in Central America. In a serious and thorough manner, we discussed the problems afflicting our countries and analyzed new mechanisms that will allow the dispossessed to join the bandwagon of progress and enjoy a dignified standard of living.

Events like these strengthen the support and implementation of the overall integration program for the region that the Central American and Panamanian presidents are sponsoring. During the recent presidential meeting held in Antigua Guatemala, we reiterated our full support of the Esquipulas II agreements and we ratified our commitment to devote our best efforts to achieve peace and democracy in Central America. We also stated that the time has come to advance toward a Central America that is economically developed and capable of handling on its own the basic needs of its peoples.

We are convinced that integration is the means for promoting development, and we are hoping for a Central America that is linked to the world at a competitive level and is interpendent. The creation of a Central American Economic Community is the challenge we are now facing, and an achievement we hope to leave to the future generations.

Within the framework of Esquipulas II, we find the philosophy that inspires us and guides us to continue building the political, juridical, economic, social, and cultural structures that may be necessary for achieving the greatest possible integration development in our region. For the first time in history, all of our countries have democratic governments that have been duly elected by the sovereign will of their peoples. Therefore, we believe that this is the best time for promoting a process that will revitalize and make the historic dream of a Central American fatherland come true.

It is necessary that we reorganize, strengthen, and reactivate our regional organizations. It is necessary to redesign the institutional and juridical framework so that those organizations will serve to prepare new strategies. It is also necessary to implement a regional economy that will allow external markets to be opened so that economic development will be the inspiration for our peoples' social progress.

The meeting of the Central American and Panamanian vice presidents is another firm step toward achieving our great regional goals. In this meeting, we will analyze the regional problems and alternatives for implementing the agreements reached at the presidential meetings.

We are pleased to recognize the vice presidents for their extraordinary efforts and contributions to the joint efforts we are making for Central American integration. Thanks to their enthusiasm and devotion we have been able to see the great progress that has been made made in establishing the Central American Parliament and in developing the [word indistinct] plan.

Vice Presidents: We hope that your 14th meeting will be highly positive, and that this important event will serve to strengthen Central American integration. We are pleased to open this 14th meeting of Central American and Panamanian vice presidents, and we wish you sucessful results. Thank you. [applause]

'San Salvador Declaration' Signed

PA0909024490 Mexico City NOTIMEX in Spanish 2008 GMT 8 Sep 90

[Text] San Salvador, 8 Sep (NOTIMEX)—The 14th Central American Vice Presidents' Forum ended in San Salvador tonight. The regional vice presidents signed eight agreements on unifying the region, reactivating the region's economy, and promoting dialogue between the Salvadoran Government and the guerrillas.

After a day of work, the vice presidents—Guatemala's Roberto Carpio, Honduras' Jacobo Hernandez, Nicaragua's Virgilio Godoy, Costa Rica's German Serrano, Panamana's Ricardo Arias, and El Salvador's Francisco Merino—signed the "San Salvador Declaration."

The vice presidents agreed to support the isthmian democratic processes and the dialogues begun in El Salvador and Guatemala, promote a regional support program for small and medium-sized enterprises, and call upon Costa Rica to join the Central American parliament.

Some of the economic reactivation programs to be promoted in the region are the Special Cooperation Program, the Economic Action Program, the Initiative for the Americas, and the Inter-American Development Bank and World Bank support programs.

The Central American Vice Presidents' Forum was constituted by the regional presidents in 1986. At the meeting that ended today, a regional initiative to assign funds to small and medium-sized enterprises was presented.

The regional vice presidents agreed on forming the Central American Parliament at their first meeting. However, Costa Rica has still not approved its participation in the Central American Parliament and will subject this decision to a plebiscite.

Today's declaration also accepted the human rights agreements signed by the Salvadoran Government and the guerrillas in San Jose in July 1990. The "San Salvador Declaration" also calls world powers to suport the area's negotiating efforts.

The conclave's host, Francisco Merino, announced that the Salvadoran Government will establish a commission to promote, coordinate, and develop the country's small and medium-sized enterprises. The commission will steer financial resources toward this sector.

Paraguay, Uruguay Join Southern Cone Market

PY0809221890 Madrid EFE in Spanish 2055 GMT 7 Sep 90

[Text] Buenos Aires, 7 Sep (EFE)—Representatives of Argentina, Brazil, Paraguay, and Uruguay today signed a document by which Uruguay and Paraguay will join the Southern Cone common market promoted by Argentina and Brazil. The common market will begin to operate in late 1994.

The document, the details of which were released today, was signed at the San Martin Palace in Buenos Aires, the former headquarters of the Argentine Foreign Ministry. The document states that the common market will be created "on the grounds of the full reciprocity of rights and obligations" among the four countries.

It is established, however, that during the transition period that will extend until 1994, Uruguay and Paraguay will receive "different treatment" in the gradual reduction of the customs tariffs which in the case of Argentina and Brazil will be implemented in a shorter term.

The document, however, includes the Uruguayan and Paraguayan commitments to "harmonize" their macroeconomic and foreign trade policies with other countries as previously agreed by the Brazilians and Argentines.

The specific measures to be adopted to create the common market that will now include four countries, will be discussed during a meeting in Brasilia on 1 and 2 October.

In this regard the Buenos Aires newspaper AMBITO FINANCIERO reported that the negotiations to be carried out in Brasilia will help to establish the development of the preferential tariff reductions granted to the four countries.

This week Argentina and Brazil agreed to establish a tariff reduction of 40 percent as of 31 December 1990. This decision has contributed to doubling the mutual benefits that the two countries had agreed upon in the accord reached by the Latin American Integration Association (ALADI).

In June 1989, the eleven ALADI member countries decided that Argentina, Brazil, and Mexico, the region's most developed countries, will grant a tariff reduction of 40 percent to "underdeveloped" countries such as Paraguay and 28 percent to "developing" countries such as Uruguay.

An agreement establishing the rules by which Uruguay and Paraguay will gradually reduce the benefits granted and level their tariffs with the rest of the member countries until all commercial obstacles between the four countries are eliminated is necessary to create the common market.

Argentine President Carlos Menem and Brazilian President Fernando Collor de Mello announced the creation of a common market between their two countries last July, following a meeting they held in Buenos Aires.

The Argentine-Brazilian project, which started in 1986 after a bilateral economic integration agreement was signed, was supported by Uruguay which announced its decision to join the project a month ago.

Diplomatic sources told EFE that the decision to include Paraguay was made because this country cannot be excluded from the economic integration blocks that already exist or are being created in Latin America.

Chile, which left the Andean Pact in 1974, last August signed an agreement for the creation in 1995 of a "broadened economic space" with Argentina. This initiative seeks to make Chile the fifth member of the Southern Cone common market.

Cuba

Soviet Ambassador Comments on Bilateral Trade

FL0709120990 Havana Tele Rebelde Network in Spanish 1100 GMT 7 Sep 90

[Text] Today GRANMA has published statements by Soviet Ambassador to Cuba Yuriy Petrov about the status of trade between our two countries. Petrov states that this year a trade agreement covering the largest volume in the history of relations between the two nations was signed. But a difficult situation has been created in the USSR, and the nation's economy has become considerably more complicated. The Soviet ambassador said that a substantial drop in oil extraction has also occurred this year, which is even affecting agriculture in the Soviet Union.

He says that under these conditions, the government has been forced to reduce some of its fuel deliveries to East European countries and Cuba. He stresses that the USSR is doing everything possible to make these deliveries to Cuba. Petrov states that the situation in the Soviet Union is extremely difficult, and it is not yet possible to tell what the final results of deliveries this year will be.

The Soviet ambassador criticizes the Western press, which has given a distorted and malicious interpretation of the matter, with attempting to see some kind of political withdrawal behind the temporary, objective problems. In this regard, he recalls our traditional friendship and states the possibility that a very difficult moment has arrived in meeting mutual commitments, but by no means is it true that there has been a possible deterioration in relations between the USSR and Cuba. He says that under the new conditions, the thousands of Soviet specialists working in Cuba have the task of seeking effective means of conservation, along with their Cuban colleagues, so that the effects will be lessened.

Petrov reports that in accordance with the 45th CEMA session and President Gorbachev's decree, starting next year payments in trade will be made in freely convertible currency and in line with world market prices. The Soviet ambassador stresses that this issue is now causing greater difficulties. He adds that previously, in addition to agreeing on the general budget for a five-year period, loans were given. Under current conditions, it will be necessary to value the price of the goods in dollars and in line with prices on the world market.

Based on this, the analyses will be made and agreements signed, he states. Finally, he reports that in the USSR it was agreed not to plan by five-year periods but annually, and that the final decisions about loans and annual delivery plans will be made by the USSR Supreme Soviet.

Malmierca Remarks on UN Vote, Oil, Embassies

PA0909040490 Havana International Service in Spanish 0032 GMT 9 Sep 90

[Text] Cuban Foreign Minister Isidoro Malmierca has stated in Caracas that Cuba voted at the UN for Iraq's withdrawal from Kuwait, but voted against resolutions 661 and 665 for an embargo against Iraq and the possible use of military measures to implement the embargo.

Malmierca held a news conference in Caracas and stated to reporters that Cuba has had problems receiving petroleum from the Soviet Union due to domestic problems in that Eurasian country. This situation, he added, has forced the Cuban Government to adopt measures to economize on petroleum in the country.

The foreign minister denied that Cuba has had a crisis and much less that the situation regarding the diplomatic embassies has triggered a crisis. He said that violence will never grant citizens the right to abandon the country.

Concerning changes in East Europe, the Cuban foreign minister reaffirmed the authenticity of the position held by our country since 1959 and stressed that the roots of the Cuban revolution are in Cuba.

Isidoro Malmierca's official visit to Venezuela to attend the 16th Latin American Economic System Council meeting has ended.

More Comments on Embassy Crisis

FL0709234390 Havana Radio Rebelde Network in Spanish 2300 GMT 7 Sep 90

[Text] Cuban Foreign Minister Isidoro Malmierca has said in Caracas that the so-called embassy crisis was a provocation favored by the U.S. Interests Section in Cuba and that the Spanish reaction was exaggerated. Malmierca reiterated Cuba's stand that to continue assuring the safety of the exercise of diplomacy Cuba cannot allow those who carry out violent acts against diplomatic officials or missions in the country to obtain an exit permit. Malmierca stressed that vandalism cannot become the shortest route to leave; to the contrary, it prevents it.

Malmierca Says Government To Reject Spanish Aid

PA0709202790 Mexico City NOTIMEX in Spanish 1818 GMT 7 Sep 90

[Text] Caracas, 7 Sep (NOTIMEX)—The Cuban Government will not accept the Spanish package of economic aid through the EEC, Cuban Foreign Minister Isidoro Malmierca stated today in Caracas. During a news conference, Malmierca responded to Madrid's announcement that it would withdraw the EEC aid over differences that arose between the two countries, owing to the controversy involving political refugees at the Spanish Embassy in Havana.

Malmierca condemned the Spanish reaction as "exaggerated and exceeding the guidelines that apply to embassies established by international law," and warned that those who use violence will not be allowed to leave Cuba. He denounced the so-called embassy crisis as a plan prepared by the officials and relatives of the U.S. Interests Section and other diplomatic missions in Havana "to create problems."

Malmierca, who is attending the 16th Council of the Latin American Economic System, said Cuba will not implement perestroika (restructuring) because "we have the medicine for our ailments." He noted the Soviet Union has not asked Cuba to implement changes in its political systems, but "if it did, the answer would be no." On the matter of Cuba's rejection of the initiative by U.S. President George Bush to create a free trade zone on the continent, he said it would be difficult to accept the idea of bartering "the foreign debt for sovereignty."

He felt the proposal, known as the Initiative for the Americas, is "the way to divide and sow dissent among" Latin American countries. The official said that Cuba seeks to maintain the oil supply agreement with the Soviet Union, although it has not received 14 million barrels over the past eight months. Moreover, he said that the Persian Gulf crisis must be solved with the withdrawal of U.S. troops from the area and the departure of Iraqi soldiers from Kuwait.

Government's Stand on Gulf Situation Detailed

PA0809181290 Havana International Service in Spanish 0000 GMT 8 Sep 90

["Point of View" feature, read by Roberto Morejon]

[Text] The Iraqi invasion and annexation of the sovereign state of Kuwait are unacceptable to the international community, including Cuba. Cuba, which has maintained this clear foreign policy stand ever since the military operations began on 2 August, demands the withdrawal of the Iraqis, but also the evacuation of the U.S. military forces deployed throughout the Persian Gulf. These forces were deployed in an arrogant manner that seeks to turn the U.S. troops into guards of world interests.

Through its active role as a member of the Security Council, the Cuban delegation to the United Nations refused to support Washington's plans to extend its military presence in the Gulf with the purpose of strengthening its hegemonistic stand.

Cuba had reservations regarding the authorization granted by the Security Council to use force to maintain the UN-established embargo against Iraq. The military escalation entails the risk of generating additional confrontations in the Middle East as well as economic effects that are harmful for the Third World. Evidence of this is the hike in the price of petroleum.

In addition, Cuba is worried about the humanitarian aspects of the problem inasmuch as the embargo adopted against Iraq could seriously affect the citizens of both nations and 500,000 Palestinians who live in the area. The situation is complicated because the United States is hindering the supply of food and medications to Iraq and Kuwait, and it remains indifferent to the economic problems of nations that are complying with the embargo on Baghdad.

Cuba has abided by the measure, even though, for humanitarian reasons, it is excluding food, medications, and health services from the sanctions. The government has not ordered the withdrawal of over 200 doctors assigned in Iraq, and it ratified its determination to continue with the shipments of sugar, for strictly humanitarian reasons.

At the international level, Cuba voices its concern over the consequences of the U.S. military deployment in the Gulf, warns about the bloodshed of the Arab people, and urges the leaders in the region to continue seeking negotiated solutions with the assistance of the United Nations and the Nonaligned Movement.

Foreign Financing Needed for Economic Growth

PA1009024490 Mexico City NOTIMEX in Spanish 1637 GMT 9 Sep 90

[Text] Havana, 9 Sep (NOTIMEX)—Cuba needs foreign financing from multilateral organizations to achieve a two-percent growth rate this year, according to the Banco Nacional (Central).

The Caribbean nation, of which the foreign debt with international financial organizations amounts to about $5 billion, could initiate negotiations this month with the Paris Club to review its accounts and request credit.

The Cuban economy needs a two-percent growth rate in 1990 so that it can recover from the 3.5-percent drop in its gross domestic product in 1987.

For the past three years, Cuba has been experiencing a serious financial situation, which has prevented the country from purchasing the supplies, fuel, and raw materials that are needed for its development.

Cuba depends on sugar exports, which represent up to 70 percent of its economy. Sugar is the main source of foreign exchange for the island.

The Cuban central bank predicts that the country's total exports this year will reach $5.5 million [as received], while imports are expected to be over $8 billion.

Now that the countries of the former socialist bloc and the USSR are moving toward a market economy, the need for liquidity has become a fundamental problem for the Cuban economy, which over the past 30 years has based its trade relations with other countries on barter.

Beginning in 1991, Cuba's trade relations with the USSR (its major trading partner) will be adjusted to the "dollar standard" and its trade will be quoted in international market prices.

The need for financial liquidity for its future development will force the Caribbean nation to look for financing from multilateral credit organizations, over which the United States holds sway in maintaining its blockade against Cuba.

Cuba's relations with its Western creditors have been suspended for the past three years due to non-payment, but it is believed that the Havana Government will try to reactivate its contacts with its European creditors as soon as possible.

U.S. Residents Sentenced for Drug Trafficking

FL0809024390 Havana Television Service in Spanish 0000 GMT 8 Sep 90

[Text] The Penal Court of the People's Tribunal in Ciego de Avila has handed down sentences ranging between 15 and 12 years of imprisonment to four citizens who are residents of the United States and were captured in Cuban territorial waters because of narcotrafficking-related activities. The four defendants illegally entered Cuban territorial waters through the northern part of Ciego de Avila. They were arrested by the coast guards while they were waiting for cocaine cargo from Colombia to take to Florida.

New Gasoline Rationing Quotas Effective in Oct

FL0809132090 Havana Tele Rebelde Network in Spanish 1200 GMT 8 Sep 90

[Text] During the fourth quarter of this year, the availability of coupons for rationed gasoline for private use will be adjusted as follows:

The basic quarterly quotas for motorcycles that received 50 and 60 liters will be adjusted to 35 and 45 liters, respectively.

In the case of automobiles, those that received a quota of 50 liters will now receive 35 liters. Those that received 60 liters of gasoline will receive 45 liters. Those that received 90 liters will now receive 65. Those that received 115 liters of fuel will now get 80. Those that received 230 will now receive 160 liters and those that received 285 liters will now receive 200.

Trucks and vans that received 230 liters of gasoline will now be allotted 115 liters and those that received 285 liters will receive 145. Those that received 345 liters will receive 175 while those that received 390 will receive 195 liters of fuel.

Vehicle owners will be able to pick up their gasoline coupons in early October at the gas stations where they are registered.

Labor Leaders To Find More Volunteer Cutters

FL0809005090 Havana Radio Rebelde Network in Spanish 2300 GMT 7 Sep 90

[Text] From now on the labor movement will work on the possibility of increasing the number of volunteer sugarcane cutters for the next cane harvest so that the sugar mills can grind cane at a 100 percent level from the first day. During a meeting of the top leaders of the national labor unions and the provincial Cuban Workers Federation [CTC] held in this capital, the participants were made aware of the importance of finding a greater number of volunteer cane cutters to reach that goal.

Pedro Ross Leal, secretary general of the CTC said the measure to increase the voluntary forces will enable sugar mills to produce more energy by grinding high levels of cane. He added that the cane will yield more sugar, the harvest will not be as long, and savings will be achieved in all areas. Ross said this task will put all labor leaders in the country to a test. The goal is for the mobilized volunteers to participate not only in cane cutting activities but also in the clearing, planting, and fertilizing of the fields.

Workers Urged To Plant 1992 Crop

FL0809183390 Havana Radio Reloj Network in Spanish 1811 GM 8 Sep 90

[Report by Jaime Porcel Prau]

[Text] The National Secretariat of the National Trade Union of Sugar Industry Workers has called upon all its affiliates to ensure that the tasks of planting and weeding of fields will be productive in September.

In this regard, Manuel Cordero Aguila, secretary general of the National Trade Union of Sugar Industry Workers, told Radio Reloj that the fulfillment of the winter planting schedule is vital for the 1992 harvest. Most of the raw material we need for the 1992 harvest must be planted now and we have until December to plant the number of caballerias we need, the trade union leader said.

In reference to repairs, Cordero said that the workers are contributing greatly by manufacturing the spare parts that are needed and repairing broken equipment.

Havana, Argentina Interested in Further Relations

FL0809124390 Havana Tele Rebelde Network in Spanish 1000 GMT 8 Sep 90

[Text] Cuban Ambassador to Argentina Miguel Brugueras has said that trade relations between Argentina and Cuba are in the range of $150 million but both countries feel that it would be convenient and possible to expand them.

The diplomat was a special guest on the "Today in the World" program broadcast on Argentine television's Channel Two.

Brugueras stressed that relations are progressing well and that both parties are interested in expanding all areas of these relations. He also emphasized Argentine tourism to Cuba and the cultural, scientific, and sports exchanges promoted by institutions from both countries.

Foreign Minister Tours Venezuelan Mining Center

FL0709122390 Havana Tele Rebelde Network in Spanish 1100 GMT 7 Sep 90

[Text] Cuban Foreign Minister Isidoro Malmierca has toured the Iron Belt in southeast Venezuela, the major mining industry center in that country. He has also signed an agreement with the head of the Venezuelan foreign office, Reinaldo Figueredo. Malmierca's tour was part of the schedule of his official visit to Venezuela, which included a meeting with President Carlos Andres Perez and working meetings with Figueredo. The Cuban foreign minister will hold a news conference today and participate in an informal dialogue of Latin American foreign ministers on Saturday.

Protocol Signed With CSFR To Reactivate Trade

FL0809175690 Havana Radio Rebelde Network in Spanish 1700 GMT 8 Sep 90

[Text] Pedro Alvarez Borrego and (Lubo Mir Marta), Cuban and CSFR vice foreign ministers, respectively, today signed a protocol in Prague to reactivate trade relations and credit for the current year. The protocol also includes ideas on the future development of these ties. (Antonin Baudis), vice president of the CSFR, who is presiding over the CSFR part of the intergovernmental commission for bilateral economic cooperation, received the delegation headed by Borrego.

Cooperation Agreement Signed With Zimbabwe

FL0709124590 Havana Tele Rebelde Network in Spanish 1100 GMT 7 Sep 90

[Text] The protocol for the third session of the Joint Commission on Economic, Scientific, and Technical Cooperation between the Cuban and Zimbabwean Governments has been signed in Havana. Jorge Risquet Valdes, a member of the Politburo and Secretariat of the Communist Party of Cuba, and Zimbabwean Higher Education Minister Dr. David Karimanzira signed the document. The action program for the next two years includes increased cooperation in the areas of health, education, sports, trade, agriculture, mail, telecommunications, labor, and social security.

Soviet Comments on Care for Chernobyl Children

FL0709181390 Havana Tele Rebelde Network in Spanish 1700 GMT 7 Sep 90

[Text] Around 2,000 Soviet children have received medical attention in our country. The majority of them have returned to their fatherland where they will continue their treatments.

The Jose Marti Pioneer City has been a truly healthy and suitable place for the recovery of the children affected by the Chernobyl accident.

[Begin recording] [Unidentified reporter] Doctor, we would like your assessment of the medical attention the Soviet children have received in our country.

[Dr. Larisa Shepliaguina, identified by caption, in Russian with superimposed Spanish translation] I would like to say that the first stage of this act of solidarity and friendship extended by the Cuban Government and people can be divided into two parts.

The first part is the recovery and rest of the children who come from the nuclear accident vicinity. The second part is the rendering of medical assistance to children with serious diseases, for example, those children who have leukemia, which is a serious cancer.

All these children, those who have serious diseases, as well as those who have minor health problems, are receiving in-depth and very highly skilled care. Cuban doctors have even offered to give spinal cord transplants to several children. This is a very costly operation; it is highly regarded. Nevertheless, Cuban doctors are giving us this assistance. This is more significant if we take into consideration that Western countries have agreed to accept only one or two children a year for this kind of operation.

As a doctor, I think that, in general, they have received good medical attention. They have been treated well. They have received the warmth and affection of the people here. [end recording]

Correction to Castro Receives Volleyball Team

WA1009133290

The following correction pertains to the item headlined "Castro Receives Women's Volleyball Team Members," published in the 7 September Latin America DAILY REPORT, page 5:

Column one, paragraph ten, third sentence through fourth sentence make read:...to be told because we are not only going to...(rewording)

Antigua and Barbuda

Government To Introduce Anticorruption Laws

FL0809181090 Bridgetown CANA in English 1707 GMT 8 Sep 90

[Report by Colin James]

[Excerpt] St. John's, Antigua, Sept 8, CANA—Amidst a probe of its shipping of guns and ammunition to Colombian drug dealers, Antigua and Barbuda has announced plans for anti-corruption laws. The government's lawyer,

David Cox, told the commission probing the shipment of Israeli arms and ammunition through St. John's in April, 1989:

"A draft bill on prevention of corruption should be enacted forthwith" and be brought before Parliament "within 90 days".

"There should be enacted forthwith, either by way of addition to the prevention of corruption bill or separately, provision for the registration of business interests by ministers and public officials. There should be appropriate sanctions for non-compliance," the British Queen's counsel added.

The Antigua Government said it never ordered arms from Israel, but Israeli officials say the former national security advisor here, Vere Bird, Jr., sanctioned the purchase. When he testified before Commissioner Louis Blom-Cooper this week, Bird, Jr., son of Prime Minister Vere Bird, Sr., denied the claim.

Also in his summation Friday, Cox made reference to the dormant National Security Council which he said "will be made a functional body." "No decision of a military or paramilitary nature should be taken by Cabinet without the matter being considered in detail by the National Security Council," he said.

Cox said he conferred with Antigua's Deputy Prime Minister Lester Bird and Lord Michael Havers of Britain in making his final submission before the commission because Prime Minister Bird "is on an intravenous drip due to illness." [passage omitted]

Bahamas

Minister Announces Fuel Prices To Increase

FL0709143590 Bridgetown CANA in English
1322 GMT 7 Sep 90

[Excerpts] Nassau, Bahamas, Sept 7, CANA—Gasoline and diesel prices are up in the Bahamas. The prices reflect what local oil companies say is a sharp increase in what they now pay for oil because of the crisis in the Persian Gulf.

Consumer Affairs Minister Dr. Bernard Nottage said the companies reported that they have had to pay up to 51 cents (U.S.) more for a gallon of diesel, up to 39 cents more per gallon for high test gasoline, and up to 41 cents more per gallon for lead-free gas as a result of the invasion of Kuwait that triggered oil shortages. Oil companies had refused to replenish stocks at the various gas stations until government increased the price of gasoline by at least 40 cents a gallon. [passage omitted]

Nottage said in a national radio and TV broadcast that gasoline suppliers had been trying to pressure him into allowing them to sell gas purchased at lower prices at the new increased prices "as they needed money to purchase their new expensive stocks."

Consumers will have to pay more for diesel and gas to run their cars, and from time to time the fuel surcharge applied to electricity bills will increase, he said. He also warned that the ministry has already been notified of a pending increase in aviation fares due to increased cost of aviation fuel and increased sea freight charges will impact on all imported items, including those with price controls.

The maximum retail selling price per U.S. gallon of gas in New Providence and Grand Bahama has gone up to as much as 2.23 dollars for high test, 2.29 dollars for lead free, and 1.90 dollars for diesel. Some of the family islands will have to pay up to 2.34 dollars for a gallon of high test and 2.00 dollars for a gallon of diesel.

Cayman Islands

Most People Against Severing Links With UK

FL0709213290 Bridgetown CANA in English
2104 GMT 7 Sep 90

[Text] George Town, Grand Cayman, Sept 7, CANA—The chairman of a civic group promoting the idea of political independence for the Cayman Islands from Britain says most Caymanians are against severing links with London.

Troy Leacock, chairman of the Citizen's Committee for a Constitutional Review, said a recent poll showed that "92.7 percent of voters... indicated that they did not want the issue of independence from the UK even discussed in a constitutional review."

Leacock said the findings of the poll have been submitted to the United Nations sub-committee on small territories, which is currently addressing the issue. He said it had also been sent to the United Kingdom and Cayman Islands Governments.

Leacock said his group felt that the UN "could best assist at this time by focusing on the proper administration of small territories ... (which) would increase the relevance and effectiveness of multilateral efforts towards a solution of the remaining problems of ... dependent territories." He said that future visits by any UN mission would "be more productive to focus on proper administration ... than to promote the idea of the Caymanian people exercising their inalienable right to self-determination".

The Cayman Islands has a population of 25,000 people with off-shore financial activities and tourism being the main source of revenue.

Haiti

President Trouillot Adviser Reportedly Resigns

FL0709123790 Port-au-Prince Radio Metropole in French 1600 GMT 6 Sep 90

[Text] A source close to the National Palace who has asked to remain anonymous discloses that a private adviser to Mrs. Trouillot, Dr. (Bellande) Saint-Louis, who is not only an advisor but also Mrs. Trouillot's brother-in-law, has resigned. According to sources close to the government, Saint-Louis resigned following a disagreement with Public Works, Transportation and Communications Minister Pierre Moise Pierre-Louis [name as heard].

Consul to U.S. Denies Resignation Rumors

FL0709133590 Port-au-Prince Radio Metropole in French 1600 GMT 6 Sep 90

[Text] This morning we mentioned the resignation of a government employee, the Haitian consul in New York. Well, he called us today to deny this information.

[Begin Consul (Henri Franck) recording] The information is false. It is really unfortunate that those people [not further identified] acted.... [changes thought] These are rather suspicious actions, you see. I really cannot understand to what extent they are trying to use my name for their own personal needs. I am not a clan person, or a political party person, nor do I belong to any specific sector. I am serving my country. They could have contacted me if they really wanted to have my support. But I think that to falsely use my name is shady and also cowardly. I think it is a well prepared plot. They are real professionals. If they could send the telex or telegram from Caracas, they know very well what they are doing. I mean, I was in Caracas. I came back yesterday afternoon at about 1500 or 1600, and I was very surprised when I arrived at the office and they told me that they had heard I resigned. [end recording]

That was (Henri Franck), the Haitian consul in New York. Mr. (Franck) has denied the reports that are spreading throughout Port-au-Prince that he has resigned. He is still the Haitian consul in New York.

Salinas Remarks on Additional Petroleum Production

PA0809043990 Mexico City XHTV Television in Spanish 0226 GMT 8 Sep 90

[Excerpt] President Carlos Salinas de Gortari said in Tamaulipas today that Mexican Petroleum [Pemex] has reacted responsibily to the decrease in the petroleum supply in the international market due to the embargo against Iraq. He said that Mexico is obliged to comply with the UN Security Council's mandate and this is how it has acted and will act in response to the Persian Gulf conflict. The president added that Mexico will, however, continue to insist that a peaceful solution be reached through dialogue and diplomatic channels. President Salinas said this was the reason Mexico had immediately accepted the UN Security Council's embargo against Iraq.

[Begin Salinas recording] I insist that Mexico has maintained and will uphold a policy that stresses that peaceful solutions be found for controversies. It is within this framework that Mexicans confront a conflict affecting all of us. The outcome of the conflict will have an impact on the entire world and, consequently, everybody at the UN is actively participating. [end recording]

The president said that Mexico has seriously contributed to the scarcity of petroleum by making a special effort and producing an additional 100,000 bpd [barrels per day] of petroleum so that the international market will remain stable.

[Begin Salinas recording] Pemex has made an additional effort. Originally, Pemex had offered this additional oil for only two months but, thanks to Pemex's efficiency, it raised its productivity. Also, thanks to the workers's commitments, Pemex is going to maintain this level for the rest of 1990, provided of course that the domestic market is fully taken care of first. [end recording]

The president added that if Mexico's military presence is required by the United Nations, Mexico will comply with its active commitment at the United Nations, providing its Senate concurs. President Salinas was interviewed in Altamira, Tamaulipas State. He said that Mexico had already received in August $400 million in additional payment for oil sales abroad. He let it be clearly known in the interview that this additional production will not affect the domestic market or Pemex's installations.

Salinas was asked if this was the production peak or if more could be produced. He replied that this is all for the time being. Pemex Director Francisco Rojas explained that if the current world oil market situation continues, Mexico will receive an additional $2 billion in oil revenues by the end of 1990; however, this will depend largely on how the oil market responds to the Persian Gulf conflict. He said that the important thing is that we are already earning more. Salinas clarified that the renegotiation clause—which specifies that if oil prices go up, Mexico is to pay higher interest rates on its debt repayments—does not become effective until 1996. [passage omitted]

Pemex Reports Seven-Month Oil Output Figures

PA0909012390 Mexico City NOTIMEX in Spanish 2118 GMT 7 Sep 90

[Text] Mexico City, 7 Sep (NOTIMEX)—Pemex [Mexican Petroleum] has reported that during the first seven months of 1990 it has extracted 2.494 million barrels per day, which has allowed it to meet domestic consumption and international commitments.

Pemex adds that the volume extracted from January to July consisted of 1.289 million barrels of light Isthmus crude and 1.205 million barrels of heavy Mayan crude.

Offshore drilling was the main source of crude petroleum with 1.744 million barrels, followed by the Chiapas-Tabasco Mesozoic area with 574,000 barrels per day. The balance of 176,000 barrels was extracted from fields in the country's northern, central, southern, and southeastern areas.

Based on the output obtained, as of July, Pemex has exported a daily average of 1.218 million barrels of three grades of petroleum and the rest was channeled to refineries and for petrochemical uses to accommodate the domestic market and to generate a surplus for export.

Pemex produced more than 3.628 billion cubic feet of natural gas, that is, 2.6 percent more than during the same period last year, the parastate company added.

The Chiapas-Tabasco Mesozoic area was the main source of natural gas, with a daily average volume of 1.715 billion cubic feet, followed by offshore areas, which yielded 1.096 billion. The other 817 million cubic feet was obtained in other petroleum drilling areas.

Ortega Accuses UN of 'Using 'Double Standard'

PA0809125390 Mexico City NOTIMEX in Spanish 0117 GMT 8 Sep 90

[Text] Mexico City, 7 Sep (NOTIMEX)—Former Nicaraguan president Daniel Ortega has stated that the UN's political actions in the Persian Gulf signify its clear submission to the United States.

Interviewed at the Mexico City International Airport upon his arrival from Nicaragua, Ortega pointed out that the UN's prompt involvement in the Iraqi invasion of Kuwait was ordered by the imperialist nations, among them the United States, for which the regionalization of this problem would be disadvantageous.

The UN has always had a double standard, Ortega said. When the United States invaded Panama and attacked Nicaragua, the international community did not react. Nevertheless, when Iraq invaded Kuwait, the international community strongly protested and Javier Perez de Cuellar immediately intervened.

Ortega, who stopped over in Mexico enroute to Germany, also discussed the situation in his country. He said that if the crisis in Nicaragua is not dealt with responsibly, within the short term there could be unprecedented social consequences in Latin America.

Ortega said that control of the country is escaping from Violeta Barrios Chamorro's hands and that she should readjust her economic policy because the number of jobless people has risen to 400,000, poverty is on the rise, and the infant mortality rate is also increasing due to the lack of medical care.

These economic policies, which have cut back on the budget for important sectors such as health and education, intend to eliminate the objectives that the revolution attained in more than 10 years.

"Violeta Barrios de Chamorro wants to return the properties to the ex - Somozists and turn Nicaragua into a capitalist country, where a small number of people can own all of the communities," Ortega said. He added that this situation has provoked isolated social outbreaks and confrontations over the ownership of land in rural areas.

Ortega, who will attend a meeting of the Social Democratic Party in Germany, said that in Nicaragua the accrued inflation rate has reached 100 percent and the salary's purchasing power has deteriorated by more than 200 percent.

Later the Nicaraguan ex-president will travel to Italy and Sweden. In Sweden, he will attend the Swedish Party Congress.

Costa Rica

Calderon Seeks 'In-Depth' Solutions to Problems

PA1009042890 San Jose Radio Reloj in Spanish 0100 GMT 8 Sep 90

[Text] President Rafael Angel Calderon Fournier announced on 7 September that we must find in-depth solutions to our national problems such as the internal debt. The president made the announcement during a meeting with the managers and directors of the institutions within the national banking system. The president said the country's internal debt problem is very serious, in that 88 percent of the national budget goes for salaries, pensions, and paying the internal debt. We realize that under such circumstances a country cannot develop. Amid a large fiscal deficit, only 12 percent of the national budget can be allotted for development; this is not good for any country.

Speaking with the directors and managers of the national banking system, President Calderon added that the country's delicate situation calls for seeking a national consensus. He noted that the bankers reflect the national feeling in confronting national problems. He admitted the banks suffer in view of these problems, as it becomes necessary to reduce the liquidity and thus prevent inflation so economic measures will yield their effect.

Calderon Fournier said he was concerned about the increase in bank rates. However, he pointed out that since the Finance Ministry is without any funds, it becomes necessary to sell bonds. This is an attempt to balance the public finances and prevent pressure in the financial market. The country's outlook for 1992 and 1993 is one of growth, and we will achieve constant development, the president said.

There is no doubt that we are going to guarantee to the Costa Rican people that they will have a better future, when we see the results of the economic measures we are implementing. We were forced to adopt these measures in view of the state of the country when we took office, President Rafael Angel Calderon Fournier pointed out. The president emphasized that in searching for a solution to national problems, we must set aside party interests and bear in mind the interests of the country and the Costa Rican people.

El Salvador

Government Agrees To Reform Military Commands

PA0809040090 Paris AFP in Spanish 2332 GMT 7 Sep 90

[Text] San Salvador, 7 Sep (AFP)—The Army announced today that the Salvadoran Government will alter its initial position concerning the Armed Forces issue and will agree to restructure its military commands at the talks with the guerrillas scheduled for next week in Costa Rica. "If changes are needed in the Army's hierarchy, there is no problem, they can be made," said Deputy Defense Minister Colonel Orlando Montano, in reference to the rebels leading demand. Col. Montano told the press that "all of the Armed Forces members are aware of the fact that the dialogue with the guerrillas requires their support."

Montano declined to disclose the statement that the government dialogue commission will present to the Farabundo Marti National Liberation Front (FMLN), but said: "We are thinking of transferring the security bodies to civilian ministries." The demand to purge the Armed Forces has been at the center of the dissent that has prevailed at the ongoing peace talks between Alfredo Cristiani's government and the FMLN since 1989.

Both delegations will meet once again in the Costa Rican capital from 13 to 18 September, in search of agreements to end ten years of war.

Cristiani on FMLN Talks, Oil

PA0809150990 San Salvador Canal Doce Television in Spanish 0300 GMT 8 Sep 90

[Text] President Alfredo Cristiani has said that the negative consequences of the Persian Gulf crisis for our country are unpredictable. He added that the government is concerned about the entire situation, not just the increase in the price of oil in international markets. President Cristiani said that it is still possible to maintain the current gasoline prices in the country; however, the world faces an unpredictable situation due to the Persian Gulf crisis, which could affect us at any moment.

[Begin Cristiani recording] It is very difficult at this time to make any predictions. The situation in the Persian Gulf is very tense and critical. Any spark could trigger a substantial increase in the price of oil, which would be a problem for us. We have adopted some alternate measures, however, that so far have enabled us to absorb the increase in oil prices. [end recording]

Cristiani said that in addition to the Persian Gulf crisis, should the FMLN [Farabundo Marti National Liberation Front] continue its attacks on the country's energy system, the situation could get worse, and it would be even more necessary to find a political solution to the conflict.

[Begin recording] [Cristiani] It also makes it more urgent that all sectors pressure the FMLN into stopping violence as soon as possible and sincerely joining the peace process that lies ahead.

[Reporter] Do you see any possibilities in the next meeting, Mr. President?

[Cristiani] Yes, I believe it is possible to continue advancing. Perhaps based on previous experience, we expect that something positive must result from each meeting. However, the situation is complex. The FMLN's strategy of blocking agreements during the past

meeting was clear, but, nevertheless, the process continues to advance. [end recording]

Cristiani said that he is optimistic about the next dialogue meeting to be held next week in San Jose, Costa Rica.

FMLN's Villalobos Views Negotiations

PA0809044090 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 2 Sep 90

[Commander Joaquin Villalobos article: "The Farabundo Marti National Liberation Front and the Negotiations"]

[Text] The Cristiani and Bush administrations base their positions during the negotiations on a geopolitical analysis rather than on the country's situation. They conclude that the FMLN [Farabundo Marti National Liberation Front] will weaken because of problems in the USSR and changes in Eastern Europe, even though the FMLN has never politically or materially depended on the USSR. They hope that the geopolitical situation will achieve what they have failed to achieve in ten years. Time and reality will prove them wrong. Based on this mistaken analysis, the government has presented an empty and inconsequential proposal involving only name changes and rotation of military units in exchange for a cease-fire and FMLN disarmament.

The FMLN has historically been a national force with international recognition. It has been totally independent of any international ideological bloc. The FMLN looks after national and people's interests; nothing and nobody will alter its determination to promote a democratic revolution in El Salvador. The USSR may disappear, but as long as militaristic governments and social injustices exist in El Salvador, there will be a struggle and the FMLN will be leading it. The end of the cold war does not constitute a disadvantage for us, but rather an advantage. Now nobody will be able to claim that the FMLN is the result of the East-West struggle. Our proposal on the Armed Forces is based on the fact that neither of the two Armies has yet claimed military victory or been defeated.

It is obvious that since there is a military parity between the FMLN and the Armed Forces, the FMLN is being asked to disarm. The government also predicts that the FMLN's future will be very gloomy because of the international situation. We could say that there is an army in power and another involved in a struggle, but what good does this do if the country cannot be ruled or stabilized and the government's Army is unable to carry out this task?

The FMLN's veto power is the most powerful instrument to demilitarize and promote democracy in El Salvador. There are only three alternatives: The disappearance of the two Armies; the existence and institutionalization of the two Armies; or the disarmament of one by the other. The first two are political options, with the second being the more difficult option to achieve. The third option is only feasible through military means.

The most reasonable and prudent option is the disappearance of the two Armies and the absolute rule by civilians. It is ridiculous, therefore, to ask at the negotiating table for the FMLN to disarm while the government Armed Forces remain armed. The FMLN maintains its strategic offensive capability while the government's Army has lost it.

The high command itself has recognized this by issuing alerts and warnings about an imminent FMLN offensive. It has even dared to tell us that this is not advisable for us and that it would be a grave mistake. The Armed Forces has never before been so worried about a possible FMLN mistake.

We want to clarify that the FMLN military forces are not negotiable as long as the government's Armed Forces are unwilling to dissolve. We will never negotiate a cease-fire in exchange for changes in the names of murderous security forces. We will never surrender our weapons and allow the same criminal and corrupt Armed Forces to remain and to continue terrorizing the people.

If the aim of the government and the Bush administration at the negotiating table is the FMLN's surrender, they must clearly state this, as Roberto D'Aubuisson and Elliott Abrams—a former Reagan administration official—have done.

In view of this, they must openly struggle to intensify the war and become even more involved in the conflict instead of committing blackmail by claiming that the FMLN is responsible for the continuation of the war and, consequently, the military aid to the government.

The FMLN will remain at the negotiating table regardless of the existing political and military situation. The negotiations and the Geneva agreement are achievements of the people and our combatants that we forced the Salvadoran and U.S. Governments to accept; we will never renounce these achievements.

We will continue our firm struggle at the negotiating table to achieve a cease-fire under the conditions that the Army's impunity ends and that there are genuine democratic openings for all the people. We will continue to struggle to ensure that the end of the war also marks the end of militarism and social injustices in the country.

The FMLN clearly understands that the negotiation will be a difficult process because we are not negotiating with saintly barons, but squad members and terrorists who have murdered bishops, nuns, priests, and anyone in their path. We will not be deceived by Mr. Cristiani's good manners. We know that he has been involved in crimes ever since he was Roberto D'Aubuisson's trusted man. We know that he applies psychological terrorism when he or spokesmen for his government and the Armed Forces claim that the people would suffer the most if the FMLN launched a military offensive. In

simple terms, this is a cowardly threat to kill innocent people as they did in November when their forces felt the presence of danger. They are a terrorist government and that is what they should be called.

FMLN Reiterates Demand for Demilitarization

PA1009033690 San Salvador SIETE DIAS in Spanish 6 Sep 90 p 8

[Text] "What is being questioned is the military institution as such. Generally, military commanders contend that the institution is good, but some individual members are not. We firmly believe the contrary. We believe that when individuals enroll in the institution, they are fairly good people. The institution, however, molds them and commits them to a system that oppresses and scorns civilian society, a system that leads to crime and corruption."

That is the concept and position of the FMLN [Farabundo Marti National Liberation Front] regarding the Armed Forces as expressed by guerrilla Commander Jorge Shafik Handal, a member of the FMLN dialogue commission.

He said that demilitarization "is a condition for a cease-fire agreement" adding that "unless a cease-fire agreement is reached, it is certain that a period characterized by a bloodbath will begin."

Handal said that U.S. congressmen's opinions should be taken into consideration, "although they do not support the FMLN." As an example he cited the Moakley Commission, which accused the Armed Forces of opposing and hampering the investigation of the Jesuit murder case. He stressed the fact that U.S. senators have admitted "that the Armed Forces are an obstacle for democracy in El Salvador."

Handal denied that the FMLN's position, regarding the dismantling of the Army, endangers the negotiating process or could make it fail before its conclusion. "We are committed to the United Nations not to withdraw from the negotiations," he stressed. The reason we have made that demand is "because we believe that we must express our thoughts, instead of concealing them and then disclosing them later on." Therefore, he added, "it is false that our written proposal concerning the Armed Forces is new. We presented it to the government through the UN mediator in a document dated 30 April, in which we stated the FMLN's objectives and our recommendations for a political solution. We clearly stated all the points contained in the written proposal, and we clearly stated that the objective should be the abolishment of the Armed Forces."

Handal said that the FMLN "is no longer demanding the purging of the Armed Forces, but total demilitarization." He noted that "this point is negotiable, but cannot be withdrawn from the talks." He stressed that "the allegation" that the Armed Forces are established by the Constitution and, therefore, cannot disappear "is not acceptable" to the FMLN.

According to Handal, "not only is the elimination of the Army necessary," but also "possible." He noted that the country's economic crisis and the current trend in the world toward demilitarization demand it. He said that he favors a "civilian police force with a new base and mentality that will respect and guarantee respect for human rights."

FMLN Criticized for Threatening More Violence

PA0809024590 San Salvador LA PRENSA GRAFICA in Spanish 7 Sep 90 p 55

[Text] Several sectors have described as "wild and antipatriotic" the remarks by some sources of the Salvadoran Teachers Front who try to obstruct the commemoration of the independence anniversary. Interior Minister Colonel Juan Antonio Martinez Varela described the FMLN's [Farabundo Marti National Liberation Front] threats to increase the number of violent actions as extremely negative.

The minister was referring to terrorist leaders remarks, which complement the remarks by leaders of the Salvadoran Teachers Front, including Jorge Morales. According to Morales, the front will carry out various protests so that the Education Bill can be vetoed, thus thwarting the civic activities planned by the government.

What the two organizations have said is an indication that they intend to ruin the commemoration by creating confusion among the Salvadoran students and encouraging them to disrespect the homeland's symbols, thus paving the way for poor civic training. The members of the commissions in charge of organizing the 15 September commemoration have expressed concern over the teachers and the FMLN leaders stand of boycotting the civic fervor this month. The commissions, however, expressed determination to go ahead with the preparations for the commemoration of the independence anniversary.

Rebel Political, Military 'Offensive' Uncovered

PA0809041390 Paris AFP in Spanish 0240 GMT 8 Sep 90

[Text] San Salvador, 7 Sep (AFP)—The Salvadoran Army has seized a plan by the guerrillas to unleash a new political and military offensive from a Colombian citizen, Colonel Orlando Montano, deputy security minister, said today. "This is a truly devilish plan of the rebels to destabilize the country," Montano told the reporters.

Montano said that the High Command is examining the plan, which was uncovered in documents confiscated from Colombian citizen Carlos Latino, who was captured a few weeks ago in the Department of Morazan in

the country's east. The Colombian citizen, currently in the custody of the authorities, is a guerrilla in charge of the Farabundo Marti National Liberation Front's propaganda, the deputy minister said.

This is a "dangerous plan," which consists of a "limited offensive" in which the rebels will attempt to use the masses, students, workers, and even government employees, Montano said. "The plan has already been made known to some sectors and it will be announced to the rest of the population in a few more days," the officer said. He pointed out that the Army has initiated a security operation to counteract the rebels activities. The operation, set up by combined Army and security units in San Salvador, includes searching vehicles and patroling.

Rebels Warn of Possible Offensive

PA0809182590 Hamburg DPA in Spanish 1519 GMT 8 Sep 90

[Text] San Salvador, 8 Sep (AFP)—Salvadoran guerrilla Commander Jorge Melendez (Jonas) warned this Saturday of the imminence of an all-out guerrilla offensive if substantial progress is not made in the peace negotiations scheduled to be held in San Jose on 13 September. If no agreement is reached at the negotiation table on the "demilitarization" of society, "more military pressure will be needed to unblock and break up the attitude and impositions of the Army," Melendez told a Mexican television station.

Commander Jonas, second in command of the People's Revolutionary Army (ERP), one of the five organizations that compose the Farabundo Marti National Liberation Front (FMLN), said that military actions will be maintained as long as agreements leading to the country's democratization are not reached. "The FMLN is militarily prepared to keep the war going. The offensive has been prepared, there are orders saying that we must be ready, and the offensive will be used according to our political needs. In that regard, the offensive is a reality," he said.

The seventh round of peace talks, which will be resumed in Costa Rica, is considered a decisive one because the participants believe it is time to proceed from the mere discussion of positions to agreements. The guerrilla leader said that both military and political actions are needed to persuade the Alfredo Cristiani government of the urgency of a political solution. Melendez said that the FMLN does not want the destruction of the Salvadoran Army just to replace it with its own forces, but it wants a demilitarization process that can guarantee the country's full democratization.

Jonas also said that the guerrillas "do not feel they are cornered" because of the international changes that have taken place in the last few months and the virtual disappearance of the socialist bloc. "We feel very strong because we have always thought about the country. We have never thought about defending any international trend," the rebel leader said. He said: "We do not feel cornered, because the great majority of the country does not oppose the FMLN's proposals. They identify with our proposals."

Cristiani Gives Testimony on Jesuits Case

PA0809170990 San Salvador Canal Doce Television in Spanish 0300 GMT 8 Sep 90

[Text] President Alfredo Cristiani has personally gone to the Fourth Criminal Court to render testimony in the murder case of the Jesuit priests. In an unprecedented action, he declined his right as president to testify in writing, as ranking military officers and Catholic Church representatives have done. President Cristiani arrived at the court today at approximately 1600. His meeting with Judge Ricardo Zamora lasted about four hours. Cristiani's personal testimony concerning the Jesuits case was interpreted as proof of his government's interest in clarifying the murders of the priests, which occurred in November of last year.

Testimony Revealed

PA0909213490 Panama City ACAN in Spanish 1818 GMT 9 Sep 90

[Text] San Salvador, 9 Sep (ACAN-EFE)—It was disclosed today that Salvadoran President Alfredo Cristiani testified in court that he had met with the Armed Forces High Command hours before the six Jesuits were murdered on 16 November. The president, who testified on 7 September before the court that is investigating the priests murder, explained that the Jesuits were not discussed at the meeting with the military chiefs on 15 November.

Cristiani said that during the meeting, which took place between 2300 on 15 November and 0200 on 16 November, the High Command decided to change the security plan whereby the guerrillas would be ousted from the outskirts of San Salvador. In his statement Cristiani said that "nothing concerning the Central American University (UCA)—where the Jesuits and two maids were slain—was discussed at any time during the meeting."

According to the defendants unofficial testimony, the priests and their maids were allegedly slain by members of the Armed Forces, who supposedly left the military school after receiving orders to murder the guerrilla leaders. "Because it was the first time that armored units and artillery were going to be used in the northern San Salvador municipalities, the president, who is the commander in chief of the Armed Forces, had to be consulted," Cristiani said.

According to the president, the meeting was held behind closed doors and the participants included Defense Minister General Humberto Larios, Deputy Defense Minister Colonel Orlando Zepeda, Deputy Public Security Minister Colonel Inocente Montano, and Armed Forces Chief of Staff Rene Emilio Ponce. Prior to this meeting,

the president added, another meeting was held with all of the metropolitan area commanders, during which the prevailing military situation in San Salvador and nearby areas was examined.

Cristiani added that after midnight he went to the Armed Forces tactical operations center, where he met with two or three U.S. military advisers and received a briefing on the military situation in San Salvador. Cristiani's testimony was preceded by the testimony of former Defense Minister Larios, who sent sworn testimony in which he disclosed that the president and 24 commanders had met at the General Staff headquarters.

Paper Notes Soviet Offer To Help in Dialogue

PA1009003090 San Salvador EL MUNDO in Spanish 29 Aug 90 p 6

[Unattributed editorial: "Russian Offers Assistance in Dialogue"]

[Text] According to an official communique, during last week's not previously announced visit by Soviet official Yan A. Burliay, deputy chief of the Soviet Foreign Ministry's First Latin American Department, Burliay met with Salvadoran President Alfredo Cristiani and offered his government's assistance in the continuing Salvadoran peace process "with the participation of Cuba."

Burliay paid a three-day visit to El Salvador and met with deputies, other high-ranking government officials, political leaders, and representatives of the country's most prominent organizations. Undoubtedly he became acquainted with our country's situation and with important specific details of the ten-year conflict we have experienced "at the very setting of the actions." Being a careful observer, as most Soviet officials are, the visitor probably gathered a great deal of information about the Salvadoran people's greatest aspiration—the prompt attainment of peace. The Soviet official probably got a genuine idea of what the inhabitants of this war-stricken nation are like and what they offer to those who come here to find out more about what is said abroad—that our people have the a very high spirit of struggle and the ability to survive the worst that fate has to offer. Our people have proven this throughout their history. Someone wishing to tell the truth about our situation abroad would have to mention that "we are resisting the adversities and facing the suffering created by a long conflict. Our people have stopped neither working nor voting despite the bullets."

According to the official communique, during his conversation with President Cristiani, the Soviet official clearly supported the government's peace process and stated that his government is interested in that process and in establishing bilateral relations with our country, which—as is known—have never existed between the USSR and El Salvador. These relations could be established as a result of the political changes that have taken place in that nation and in countries that were Soviet satellites for many years and have now become supporters of the democratic system. Mr. Burliay announced the visit of Soviet parliamentarians and the possible participation of the Soviet Union in the 14th International Fair to be held in El Salvador in November. This participation would be a true novelty, not only as far as products are concerned, but also because of the presence here of a country that, ideologically speaking, has remained so distant from us. Our rapprochement would pique everyone's interest.

Although the meeting was short, Cristiani used the occasion to fill the Soviet official in on all the details related to the efforts of the ARENA [Nationalist Republican Alliance] government since 1 June 1989 to attain peace in El Salvador and the reasons why no specific agreements, which would lead to the end of the armed confrontation, have been reached. President Cristiani probably briefed him on the results of the most recent round of talks in San Jose, Costa Rica, during which no progress was made because of the complexity of the Armed Forces issue. Cristiani probably informed Burliay about the previous meeting during which the two sides agreed on human rights, a very important point that the Soviet official must have understood very well.

There is, however, something upon which various groups in the country, especially the leftist and rightist politicians, are commenting: Mr. Burliay offered "to help with Cuba in the dialogue process." This is worth mentioning, because it is not Cuban President Fidel Castro himself who is making the offer, but a Soviet spokesman. If there is no mistake in the basic information and if there is no misinterpretation, Russia can make decisions for Cuba as far as the Salvadoran conflict is concerned. Although Fidel Castro complains because Soviet aid to Cuba has decreased by 50 percent, or perhaps for that very reason, because the reduction of that vital support has negative effects on the Cuban people, who have begun to feel those effects and have stirred reactions against Fidel Castro's communist regime. [sentence as published]

Guatemala

Cerezo Cancels Trip to UN for 'Tranquillity'

PA0809014390 Panama City ACAN in Spanish 2043 GMT 7 Sep 90

[Text] Guatemala City, 7 Sep (ACAN-EFE)—Guatemalan President Vinicio Cerezo canceled his trip to the United Nations today. The president decided not to go so the presidential candidacy of Jorge Carpio Nicolle, who is the brother of Vice President Roberto Carpio, would not be affected. Cerezo had planned to attend the UN General Assembly from 26 to 30 September. However, his wife, Raquel Blandon, and possibly the Foreign Minister, Ariel Rivera, will represent him.

According to the Guatemalan Bar Association, if Cerezo went to the United Nations, Roberto Carpio would have

to assume the presidency. This would make his brother, Jorge Carpio, "ineligible" to be a presidential candidate.

The Constitution says that relatives of a president or vice president cannot run for president if either official is currently holding the presidential position.

The Christian Democratic president told reporters: "I am canceling my trip for the tranquillity of Guatemalans and especially for the opposition candidate. I also doing it to show that we have no interest in destabilizing the electoral process."

The cancellation of the trip was requested by Alfonso Cabrera, the presidential candidate of the ruling party; the Guatemalan Bar Association; Carpio Nicolle himself; and other political opposition leaders.

Rivera Discusses Relations With Soviet Official

PA0709040090 Panama City ACAN in Spanish 2115 GMT 5 Sep 90

[Text] Guatemala City, 5 Sep (ACAN-EFE)—A high-ranking Soviet official visited Guatemala and met with Foreign Minister Ariel Rivera to normalize diplomatic relations between the two countries.

Rivera told the press on 5 September that Yan Burliay, the Soviet Foreign Ministry's deputy director for Latin American countries, arrived on 5 September in Guatemala, after visiting Honduras, and left for the USSR on the same day.

Burliay also visited El Salvador, Costa Rica, and Panama. According to Rivera, Burliay said that after the changes in the bilateral policies with the United States, the Soviet Union is interested in maintaining closer relations with Central America.

The foreign minister said that Guatemala has maintained relations with the USSR since 1946, but only at the commercial level. Rivera also said that the USSR is one of the main buyers of Guatemalan sugar and coffee—two of Guatemala's main exports.

The foreign minister said that in view of the changes in the USSR, there is a possibility of strengthening diplomatic relations, which have been hampered by the two countries' ideological differences.

Army Announces Changes, Transfers of Command

PA0909015090 Guatemala City EL GRAFICO in Spanish 7 Sep 90 p 6

[Text] Guatemala City, 7 Sep—New changes and transfers in the country's military commands have taken place during the first days of the month, Army spokesmen have confirmed in this capital.

Within those changes—described as routine—one general was relieved from active duty and two colonels joined the reserves, our sources have reported.

The same sources have indicated that General Juan Jose Marroquin Siliezar was removed from active duty because, according to military regulation, any officer who is member of the High Command and is not promoted must be relieved from active duty.

Meanwhile, Colonel Francisco Ortega, who was commander of the Roving Military Police (PMA), was transferred to command of the Santa Elena Peten Base. He was replaced by Colonel Marco Antonio Gonzalez Taracena, who was commander in Chimaltenango, who in turn will be replaced by Colonel Julio Fidencio Otzoy.

Another change was the appointment of Colonel Julio Balconi Turcios, who was commander of airborne troops stationed in Port of San Jose, Escuintla, to be commander of the "Mariscal Zabala" Garrison in the capital, replacing General Benedicto Ortega Gomez, who was transferred to the Army Inspector General's Office.

Business Sector on Talks With URNG in Canada

PA0509120790 Guatemala City PRENSA LIBRE in Spanish 2 Sep 90 p 2

[Text] Business sector representatives have reiterated their desire that the meeting held in Ottawa with Guatemalan National Revolutionary Unity (URNG) members will serve as the foundation for the firm and lasting peace that Guatemala demands.

The business representatives called upon and invited the people who are directly or indirectly part of the URNG to legally rejoin Guatemalan society. Their integration into our society should be within a constitutional, legal, and institutional framework, in keeping with their resolve to find through peaceful and political ways a solution to the country's problems.

The businessmen said that peace should be based on economic and social development in freedom and democracy. For this to take place, the goodwill and good faith of all who take part in this process is essential. They said that we are firmly convinced that all our problems should be debated within the framework of such basic principles as respect, legality, and human rights. Violence resolves nothing, and because it is an element of disturbance, it exacerbates the problem.

The business sector did not go to Ottawa to review a painful past or to make recriminations. It went there to listen to the URNG and show that organization it is willing to build a better future for all Guatemalans. The businessmen called upon the URNG to contribute their knowledge and effort, within a peaceful framework, to make Guatemala prosperous for all, especially the most needy.

The conditions are right for acceptance of the business sectors' invitation, and this is a good opportunity for the URNG. Guatemalans want to live, work, and prosper in peace, and all of us involved in this process are committed to not discouraging or disappointing the people.

The business sector makes daily efforts to ensure a better standard of life for the Guatemalan people by struggling for a free enterprise system, which has been proven to be the best. There is a worldwide trend in that direction.

Nevertheless, the attainment of our goals, the businessmen said, will require larger national and international investments, increased productivity in all areas, and increased participation in international trade. In other words, we must strengthen a platform of full, firm, and coherent development. It is also necessary for the URNG and all of the country's sectors to have a clear and definite spirit of unity: a unity of effort, goals, commitments, responsibilities, and obligations.

The business sector said it firmly believes in all forms of freedom. The sector's efforts have been and still are aimed at boosting freedom's defense. We confirm our belief in fully respecting human rights, the businessmen said, and we believe that human rights must be guaranteed and safeguarded and the entire population's moral values strengthened.

To conclude, the business sector reiterated that every effort will be made to successfully complete the peace process started by the National Reconciliation Commission.

Guerrillas Set Fire to U.S. Houses, Clinic

PA0909012690 Panama City ACAN in Spanish 2315 GMT 6 Sep 90

[Text] Guatemala City, 6 Sep (ACAN-EFE)—The Guatemalan guerrillas set fire to three houses and a clinic of the U.S. "New Life" religious sect, which has been operating in Sayaxche, in northern Peten Department, for the past 18 years, the victims reported today in this capital.

They told the press, after having been transported aboard an Air Force plane today from Peten to the capital, this took place at dawn on 1 September after the insurgents had ransacked the houses and the medical clinic.

Sect member Elan Stolfos said that according to a document that the rebels carried with them, "the order to set fire to the houses was issued by Pablo Monsanto, commander of the Guatemalan National Revolutionary Unity (URNG)." Stolfos said that the URNG action is retaliatory because the sect, which consists of eight U.S. citizens and two Guatemalans, one month ago assisted eight soldiers who had been wounded during an ambush near the sect's residences. He added that the guerrillas forced his 23-year-old son to transport them and the products they stole aboard a launch on the Sayaxche River and then entered the mountainous area.

"We hope that the URNG will remove the threat on us," said Stolfos, who added that he wishes to return to that region to continue humanitarian work.

U.S. Embassy officials in Guatemala consulted on the incident said they know nothing about the action against the missionaries.

Parties' Presidential Candidates Designated

PA1009014690

[Editorial Report] Guatemala City SIGLO VEINTIUNO in Spanish reports on 27 August on page 10 that Jose Angel Lee Duarte and Carlos Gallardo Flores on 26 August were proclaimed the Revolutionary Party [PR] presidential and vice presidential candidates during a party National Assembly. The 275-word article adds that the party assembly dismissed Carlos Enrique Chavarria Perez as secretary general of the Executive Committee and appointed Rafael Tellez Garcia to be his replacement.

Meanwhile, Guatemala City PRENSA LIBRE in Spanish reports on 28 August in page 14 that Luis Ernesto Sosa Avila and Luis David Eskenasy on 27 August requested to be registered as presidential and vice presidential candidates, respectively, supported by the MLN [National Liberation Movement] and the FAN [National Advancement Front]. The 350-word report adds that the two parties also requested their alliance be officially registered.

Honduras

Commission Created on Maritime Issues

PA0909133490 Tegucigalpa EL HERALDO in Spanish 7 Sep 90 p 53

[Text] The Governments of Honduras and Nicaragua yesterday created a "Honduran-Nicaraguan Mixed Commission on Maritime Issues" to analyze the problems that have come up with fishermen in the Gulf of Fonseca during the last few months.

The Government of Honduras appointed Guillermo Perez Arias and Julio Rendon, members of the Foreign Ministry's legal staff, to be the Honduran representatives in the bilateral commission. This bilateral commission will endeavor to find an out-of-court solution for the withdrawal of Nicaragua's claim presented in the International Court of Justice at The Hague.

On the Honduran side, the commission is made up of representatives from the Natural Resources Ministry, the Navy, and the Ministries of Finance and Public Credit and Government and Justice.

During his stay in Nicaragua, the Honduran foreign minister saw it fit to take up the issues related to Central American development, specifically the efforts to put into effect the Stanford Commission's recommendations, which promote cooperation abroad.

Foreign Minister Carias Zapata, together with his counterpart Enrique Dreyfus, also discussed the situation in the region. They expressed their concern over the absence in El Salvador of a cease-fire to allow the means for watching

over human rights, the withdrawal of the fighting forces, and the protection of the civilian population.

Dreyfus and Carias Zapata said that the Executive Commission, which is comprised of the five isthmian foreign ministers, will again analyze regional matters when they are in New York on 10 and 11 October to attend the UN General Assembly meeting.

Nicaragua

Lacayo Dicusses U.S. Relations, ICJ Suit

PA0809011490 Managua Domestic Service in Spanish 1815 GMT 6 Sep 90

[News conference by Minister of the Presidency Antonio Lacayo with foreign and local reporters and unidentified moderator at the Presidency in Managua—live; broadcast in progress]

[Text] [Lacayo] ... the great friendship between these two countries, two subjects of interest in relations between Nicaragua and the United States. We talked about the suit that the Sandinist government filed at the International Court of Justice [ICJ] in The Hague against the United States, the present use of national territory by the FMLN [Farabundo Marti National Liberation Front], Nicaragua's views on the reduction in size of Central American armies, and commercial aid in the form of U.S. investment in Nicaragua. I discussed these subjects with Bernard Aronson, U.S. assistant secretary of state for Inter-American affairs, for approximately four hours. During that time, I also met with Robert Kimmitt, under secretary of state for political affairs. I also visited Vice President Dan Quayle's office, where I talked with Jon D. Glassman, to whom I passed along our views. Finally, I spoke with top World Bank and IMF officials to ascertain their views on our economic situation and Nicaragua's chances of forging ahead.

I believe the trip was successful in a sense because these conversations were conducted sincerely and maturely and within the proper framework of two governments and two nations that wish to maintain the best possible relations. As we told them, these relations will be very different from those during the Somozist dictatorship and the Sandinist government. These new relations will now be between the United States and the government of this country, freely elected on 25 February. This government is well aware of the nature of relations between two democratic governments.

In this sense, I am satisfied with the results of the trip. I am also concerned, however, because I think that the rapid changes taking place in Europe and the Soviet Union, plus the tension in the Persian Gulf will make each of the countries willing to support Nicaragua in its effort to overcome its economic paralysis and revise their stances in light of the new realities that will definitely have an impact in Nicaragua. It is clear that, as a result of the tension in the Persian Gulf, the countries that have been assisting or want to aid Nicaragua will see their costs increase.

Almost all of them are oil importers. They will also face the costs of maintaining what will apparently be a relatively permanent force in the Persian Gulf. The United States has announced that just as the creation of NATO became necessary at one point in history, it is now necessary to create an alliance to prevent the Persian Gulf from having to again endure the tense situation it is enduring now. This implies additional defense expenditures for countries that will find their ability to provide foreign aid diminished. This is going to adversely affect us.

I also feel that changes in Eastern Europe are forcing Nicaragua to compete for aid, because many countries are finding the road to democracy and important economic adjustments; they are knocking at the same doors that we are—the rich countries of Europe, the United States, Japan, the World Bank, and the IMF.

Aid therefore will no longer be granted based on political interests, but based on economic interests—that is, aid will be given to countries that do their share in pushing their economies forward.

I feel that the agreement we have been proposing in Nicaragua to resolve our economic situation among Nicaraguans and to pull out of the country's current stagnation has now renewed importance in view of the foreign aid situation. I feel that if the Nicaraguan people are unable to reach agreement and cannot defeat the hyperinflation or get started along the road to development, whatever foreign aid we could have received will go somewhere else.

I also feel that as we succeed as a people and as a nation and reach agreements, this will exert a favorable influence on the willingness to help Nicaragua. I feel, however, that this will depend on us Nicaraguans more than on anyone else because of the changes taking place in Europe and because of the situation in the Persian Gulf.

Part of the trip was also used to study the possibility and the suitability of the president traveling to Washington following her appearance at the UN General Assembly on 27 September, but after noting that the situation in the Persian Gulf has all the attention of the people, Congress, and Executive Branch of the United States, we have decided to postpone her trip until a more convenient time, so that our president does not have to miss the opportunity to visit Washington for reasons that have nothing to do with relations between the United States and Nicaragua. This would be the case now because the Gulf Crisis apparently will continue for a few weeks. Basically, these were the subjects we tried to cover. We are now ready to answer your questions.

[Moderator] Please raise your hands to ask questions so that we can place the microphone within reach, and then please identify the media you represent.

[Ferrari] I am Celso Ferrari, from Mexico City's EL DIA. Mr. Lacayo, you have mentioned three or four main issues. One of them deals with Nicaragua's suit against the United States at the ICJ. What changes have there been at the ICJ regarding the international legal action that Nicaragua has filed?

[Lacayo] At that level, there has been no change. I consider it an important aspect of the trip to have been able to see how the U.S. Government views this case.

I think it is difficult for them to understand why Nicaragua has not desisted from this suit, as would be the proper thing for a friendly country to do. The United States realizes that the suit was filed during a bygone era, the President Ortega-President Reagan era, the era when the resistance was armed and active, the era when Nicaragua was enduring an embargo from the United States, the era when the United States was economically and militarily supporting a group that wanted to overthrow the Nicaraguan Government.

This situation is over. We now have a new government. The United States also has a new government. President Bush has adopted toward the Nicaraguan Resistance a policy different from that of his predecessor. The embargo is over. We are both looking to the future. The idea is to build strong friendly relations between the two governments and the two countries, relations that could include the possibility of preferential commercial treaties. We are analyzing the suitability of establishing a macro-commercial treaty between Nicaragua and the United States, and within this framework, people in the U.S. Administration and Congress will find the ICJ suit difficult to understand.

This means, as I said last Friday at the National Autonomous University of Nicaragua, that we Nicaraguans must find a solution to this situation to decide whether we should insist on receiving an indemnity the United States says it will never pay, or accept the friendship of a nation and people who want to look to the future. This friendship can be made evident in the form of aid, as is already happening, so that Nicaragua may overcome its economic crisis and [words indistinct].

[Reporter] I am [name indistinct] of [words indistinct] magazine, from Chicago. Mr. Lacayo, during your talks with U.S. Government officials, what attitude did you encounter regarding the agreement process you have planned for Nicaragua. My second question has to do with your talks with the World Bank and the IMF. We would like to know how those organizations have evaluated your government's economic policy and what their conditions are for continuing to help the government.

[Lacayo] Concerning your first question, I encountered a positive attitude toward the agreement process, an attitude of respect for what Nicaraguans may decide to do within our nation. They have, I believe, positive expectations regarding the agreements that may come about.

In the assessment by the World Bank and the IMF, regarding the steps undertaken by the government, they noted that postive measures were taken in the fiscal area, concerning the exchange rate and the parity of the exchange rate, regarding fixed and variable interests, regarding the Central Bank, and on other major aspects. They added that these measures have not been effective—at least during the first 100 days—in lowering the hyperinflation rate. The situation to which they refer is due to the fact that the government is still suffering from a very high fiscal deficit and an irresponsible credit policy.

In this respect, they make very clear recommendations. In its central spending, as well as in the credit it grants through commercial banks, the government must live with what it has. As the government continues to spend beyond its resources, Nicaraguans will continue to suffer the curse of inflation. I personally share the view of the World Bank and the IMF. On repeated occasions, I have stated that a major part of the concerted effort will be to make the labor and business sectors fully realize what it means for the state to spend beyond its resources.

As for other conditions, they are basically much more than conditions. They constitute a very clear awareness that the Nicaraguan state is highly involved in a number of commercial, industrial, and agricultural activities; it runs hotels and restaurants; and it has a number of businesses, but it has been shown that these work better in the hands of individuals or corporations—whether regional, foreign, or cooperatives—or in the hands of persons who can devote more attention than can a public official.

In this regard, we must soon begin a process of democratizing property. That which belongs to the state should truly belong to the Nicaraguan people and not to the state. The recommendations are in line with what is being promoted even in the Soviet Union, according to remarks by White House Chief of Staff John Sununu. He spent five days in Moscow trying to share his experience with the Kremlin on administrative matters. Upon his return, he reported on the huge effort the Soviet Union is undertaking to decide how they will go about democratizing and privatizing their enterprises. So, it seems we will have to cover the same ground as the Soviets.

[Reporter] I would like to ask you two questions. The first: What do you think of the U.S. Government's proposal about the ruling by the ICJ at The Hague? I am starting from the premise that the proposal that Nicaragua withdraw its accusation is not based on economic factors. This means that it is not that the U.S. is unable to pay that indemnification. I would like to hear your opinion.

My second question is this: As reporters, we have heard some sectors say that it is not up to the current Nicaraguan Government nor the FSLN [Sandinist National Liberation Front] to adopt the decision regarding the U.S. proposal on The Hague ruling. These sectors claim

that thousands upon thousands of Nicaraguans of various political affiliations were maimed and affected by the war. Some sectors propose that laying aside the economic aspect, a referendum should be conducted so that the Nicaraguan people themselves will decide what decision to adopt. I would like to know your opinion.

[Lacayo] Gladly. I do not view the U.S. Government's proposal in the same light as you do. I believe that it is a matter of the past. I believe that, up to a certain point, Nicaragua must adopt the decision whether or not to continue with something that has its roots in the past, or if we are going to establish a new relations and friendship with the United States.

Concerning the comments you have heard on the streets, I would like to point out that the Constitution very clearly states that the country's foreign policy is the responsibility of the Executive Branch. As The Hague case is fundamental to relations between Nicaragua and a country with whom our future relations are very important, I believe that it is up to the Executive Branch to lead the way and adopt the corresponding decisions.

[Moderator] Osvaldo Bonilla of the UPI news agency.

[Bonilla] Could you explain further about the Salvadoran guerrillas in Nicaragua. Was this issue discussed in the United States? What about the continuing flow of weapons from Nicaragua to the Salvadoran guerrillas?

[Lacayo] We discussed the Nicaraguan Government's position on that issue. I explained our position very clearly yesterday. We strictly respect the Esquipulas Agreements. As a government of this area, we are perhaps the most interested in having those agreements complied with, not only by Nicaragua, but by all the other Central American governments. We fully respect, therefore, the commitment acquired by President Ortega to prevent national territory from being used by people who support the work of groups plotting against legally constituted governments in Central America. I believe that our government has been clear. Our Salvadoran friends can use our territory and hospitality, as long as they limit themselves to political activity, because we want El Salvador to find a political and negotiated solution to the conflict.

We will never allow our territory, however, to be used for armed activities, or the sending of material from here to there, or to other countries for subsequent delivery to El Salvador. Nor will we allow the use of radio waves or any other activity linked to armed struggle. We have already told the FMLN authorities who have had contact with our government that there is a clear distinction between our hospitality for them to conduct their political activities and our firm rejection of any type of use of our territory for military activities.

Any Nicaraguan or foreigner who is caught by Nicaraguan authorities participating in activities linked to armed struggle will be punished. We cannot allow this. It has never been within the spirit of this government to allow the methods of struggle that we so harshly criticize to be used in other countries. We believe that just as Nicaragua found its solution along the path of elections and dialogue, the rest of the Central American countries can do the same.

[Reporter] My first question is: Has the lawsuit situation at the ICJ in The Hague had any influence on the suspension of President Violeta Chamorro's trip to Washington? There are those who say that the U.S. Congress is pressuring President George Bush not to receive the Nicaraguan president until a positive decision on this issue is made.

That is my first question. The other one is: You have said that you share the viewpoints of the IMF in the sense that we have to live with what we have. Will this mean that there will be substantial cuts in our government's public expenditures for next year? We want to know what areas will be most adversely affected.

My last question pertains to the use of our territory for activities aimed against other governments. What measures will the government take in this regard, since the government has yet to state its position? We know about some signatures and the public support given by several officials in this government—including the vice president, the National Assembly president, a magistrate, and other pro-government deputies—for a Cuban democratic party. According to sources at the Inter-Continental Hotel, this party will initiate a clandestine fight against Fidel Castro's government in Cuba.

[Lacayo] Three questions deserve three answers. We were actually told of the desire of President Bush to meet with Mrs. Violeta Chamorro. Of the many presidents who have asked for a meeting with him in October, he has given top priority to Mrs. Chamorro. We were the ones who decided not to go prior to my trip to the United States, and I confirmed that once I was there. We believe it is definitely not advisable for Nicaragua at this time because of the strong attention the Persian Gulf conflict is getting from all the U.S. people. So we decided not to go.

As for the cuts in expenditures, I believe they cannot wait until next year and will have to be made next month. These are cuts which the people and the public employees will have to decide on in our concerted efforts. For example, if the government receives 25 million gold cordobas or dollars per month in taxes, we will be able to spend the money, depending on the foreign aid we receive for our balance of payments. However, we cannot spend—as we did last month—nearly 40 million gold cordobas, because it involves the artificial issuance of money [emision inorganica]. This artificial issuance of money hurts all Nicaraguans, including public employees themselves. It also hurts your pockets and mine; it hurts the pockets of all Nicaraguans.

We either reduce real wages, decrease employment, or decrease the number of supplies we purchase. There may be nothing to offer in hospitals, or there may be no

supplies in schools or even fuel, but we have to make a cut somewhere. The government does not want to make the decision alone. We believe the labor groups have much to say, because it is important to have the greatest consensus possible regarding this issue. There must be cuts because it is clear that we are living like those who earn $100 million cordobas and spend $200 million. Something will go wrong if we continue to do that.

We feel the Nicaraguans have been suffering from inflation for many years; we must correct it once and for all. As for your last question, I want to make it very clear that the government, actually the executive branch, has not adopted an attitude that supports or does not support the group of Cubans that met here. The government's program seeks to maintain relations with all peoples of the world. That has not changed and will not change.

[Moderator] [Words indistinct].

[Reporter] Mr. Lacayo, according to your remarks, U.S. aid could be withheld and sent elsewhere if Nicarguans fail to reach an understanding in this area of the concerted effort? Can you expand on that?

[Lacayo] Not just U.S. aid. I believe that, in general terms, this applies to the aid and loans from the World Bank and European countries, or the aid that can come from Japan and Germany. In general terms, I think the aid will be sent to those people that do what must be done so that their domestic undertakings, with foreign aid, yield the expected results. I see few resources in the world because of the oil problem and the situation in the Persian Gulf, and I see many countries—namely, European and Latin American countries—seeking those same resources. A large part of Egypt's debt was forgiven. Israel is asking for money for various reasons.

I see few resources and many suitors. Where will aid, especially economic and development aid, go? It will go to places where it will yield the greatest benefit possible. There is widespread consensus in today's world that certain governments will remain where they are now. These are governments that are unable to live with what they have; are unable to take measures that must be taken; persist in keeping a large number of public enterprises, although these enterprises may represent losses; insist on deceiving themselves by keeping a large number of public employees, thinking that if these employees are fired they will starve to death, and so it is better to keep them; and cannot be decisive and courageous while making harsh and difficult decisions. The aid arrives and is mispent; in the following year, the amount of aid goes down. I feel that aid will be earmarked for countries that do their homework. I think the idea is that those that help themselves will be helped. If one does not help oneself at home, one will lose the commitment from possible donors. I am not referring to U.S. aid but to aid in general. I am referring in particular to soft loans from international organizations as these loans can be a great help.

[Moderator] [Name indistinct] reporter from ACAN-EFE.

[Reporter] What is the status of the U.S. aid for $300 million promised for this year, of which we have only received $60 million? Also, I would like to hear your opinion on the demand by Israel Galeano asking for one million hectares for the former members of the Nicaraguan Resistance. He reported in BARRICADA that he is not getting the support that he asked the government for.

[Lacayo] The demobilized members of the former Northern Front of the Resistance had appointed a commander known as Invisible to deal with the land issue. He came to my office about eight days ago. At that meeting, I was joined by the Agrarian Reform group, the Institute for Repatriation, the government ministers, and the regional delegates of the Government Ministry in Regions Five and Six. We discussed the land issue. Some of the demobilized members speak of one million hectares or manzanas, because they figure that each of them should get 50 manzanas. We did some fast figuring. If our national territory, excluding Lakes Managua and Nicaragua were to be divided [11 second station break] about 10 or 12 manzanas. To expect 50 manzanas is utopian, not only because it would exceed the amount of land that we are entitled to per capita, but also because it has been proven that with the manual farming methods used in Nicaragua, one man could never till 50 or even 20 manzanas.

The demobilized members of the Resistance complain that many cooperatives that received lands from the previous government are not using them. The lands are idle because cooperatives of perhaps ten, 20, or 30 members were given large tracts of land. What happens is that only a small parcel of the property is being worked. It is strange that the members of the Resistance want to commit the same mistake of asking for 50 manzanas. Commander Invisible left my office fully convinced that the government will treat the demobilized members of the Resistance in the same manner as any other Nicarguans. No one is special here any more. If the Agrarian Reform programs drafted by the Agrarian Reform Institute [eight-second break in transmission] to ten manzanas per person. If we were to work with those figures and bear in mind that about 4,000 or 5,000 demobilized members have joined the development poles, we would be talking about 40,000 or 50,000 manzanas of land, plus those to be assigned to the Central and Southern Fronts and the companeros in [words indistinct].

In the Northern Front they would get approximately that much land. Until today, between the Almendro and Rio Blanco areas, the government, through the Agrarian Reform Institute, has already distributed about 40,000 manzanas of land.

I think, therrefore, that we have kept our commitment in this respect, although there have been problems because squatters are living on those properties. The size of the

area will increase if those squatters are removed. Basically, we are not talking about one million hectares; we are talking about approximately 50,000 manzanas.

[Moderator] Three more questions will be asked in the following order: (Carlos Rey) of Primerisima radio station, Rebeca [surname not given] of Radio Mundial radio station, and reporter Alberto Reyes.

[Rey] I have one specific question. You talked of the concerted effort. The government has consulted with various sectors. When exactly is the forum on the concerted effort going to begin? When will discussions with the labor and business sector begin on this concerted effort, which has been talked about so much all this time?

[Lacayo] They will begin in September.

[Rey] You do not have an exact date?

[Lacayo] That has not yet been decided. That will depend on previous consultations, but the goal is to hold them in September.

[Rebeca] Talking about the drastic reductions the government will make the next month, you said that the health and education sector have always been affected. There is one sector, however, that takes a large share of the national budget—namely, the Army. Although a drastic reduction in the Army was announced, we do not know the details of this reduction program. What will happen? Will the Army's budget be reduced? Will the budget for health and education be kept, or will it be lowered?

[Lacayo] I just mentioned health and education as examples. I think the decision will be either to reduce real wages of state employees—the military obviously included—to reduce the number of jobs, or to reduce the materials these employees use in their jobs. This situation covers the entire state, including the Army, and the Government, Foreign, Health, Education, and Presidency Ministries. This is an across-the-board thing. We will have to make cuts, and that can only happen by reducing real wages, reducing positions, or reducing materials used in daily activities.

As for your concern regarding the Army, I can tell you that in line with the reduction plan announced approximately two months ago, from 25 April to 31 August, the Army has gone from approximately 80,000 armed men —including permanent soldiers, reservists, young men in the military service, and militias—to approximately 35,000. There are practically no young men doing military service. The 7 December deadline set by Mrs. Chamorro will just about be completed in September. There are no longer mobilized young men. The militias have been disarmed and their ties to the Army have been cut. Reservists have gone home. The Army now has permanent soldiers, basically officers and enlisted men.

We have a second phase, however, which entails a reorganization or restructuring of the Army to reduce the number of permanent soldiers. The Army and the government are working on specific plans dealing with the sort of benefits the discharged soldiers will have when they join the country's economic life. They will have some protection, whether in the form of some land, training, or money. However, the Army—as part of the government structure and like all other government institutions—also figures in the effort we will have to make to spend what we have.

[Reyes] Returning to the topic of the suit at The Hague, international dispatches have talked of a U.S. pressure or proposal to reach an out of court settlement. Regardless of that, you mentioned the executive branch has the constitutional right to handle foreign policy. Have you started to establish the grounds for a concerted effort on the matter of the suit at The Hague against the United States? What are the grounds of that concerted effort, if we can call it that?

[Lacayo] Since the U.S. Government realized a new government was elected, it began to hold talks with the government-elect and later with the government of Nicaragua, just as all the other countries with which we maintain relations have, from China, the Soviet Union, and France to Latin America. This topic has always cropped up in our talks with the United States; they are concerned about it, and so are we. As I said at the beginning, we understand that this case arose from a situation that no longer exists.

Throughout our talks, the viewpoints of both governments have become clearer, and we can get to work on some kind of solution. I said that, as a result of my trip, I learned how difficult it is for U.S. officials and lawmakers to understand the current situation where Nicaragua, which is getting a large package of aid from the United States, continues without settling this case. This case stems from a situation that no longer exists and goes back to a time when the United States was attacking Nicaragua. This prompts us to find a solution that will obviously fall within the framework of Nicaragua's laws. Thank you, and good afternoon.

Panama

IRHE Begins Implementing Power Rationing

PA0709191390 Panama City Telemetro Television in Spanish 1734 GMT 7 Sep 90

[Text] Jorge de la Guardia, director general of the Institute of Hydraulic Resources and Electrification [IRHE], announced today that as of today the IRHE began rationing electricity throughout the country. The rationing of electricity will run from 0700 to 1200 [1200-1700 GMT], and from 1230 to 1800 [1730-2300 GMT]. De la Guardia said that the power outages are the result of the drought, which is affecting the main hydroelectric plants.

[Begin De la Guardia recording] This drought occurred while major maintenance was being perfomed on various steam units and the Bayano hydroelectric plant. The unit that was supplying electricity at the Bayano central plant sustained some damage, and the central was knocked out. We are now repairing the damage. Greater damage was detected on the Bahia Las Minas No. 1 unit, which had been repaired, at the time it was about to begin operations. The Las Minas unit has so far been unable to begin operations.

The Central American system cannot provide us with energy because they are already working at maximum capacity. What little energy Honduras has for sale has already been sold to other Central American countries. This rationing program will continue until the Fortuna hydroelectric plant is able to provide more power, and we are able to put into operation the unit that is out of order in Bayano. We expect this will be sometime early next week. We had announced, however, that this might occur. Unfortunately, it has happened now. [end recording]

Mr. De la Guardia did not specify when and where power will be rationed. He pointed out that next Monday, 10 September, more specific details will be disclosed on the rationing program. He said that electricity will continue to be supplied in those areas where there are hospitals, and that those areas where large industries are located will be notified in time prior to the power outages. De la Guardia also said that the power rationing does not entail a reduction in the consumer's bill, as the consumer must contribute his share to this sacrifice.

Endara Explains Rising Prices

PA0809150390 Panama City Circuito RPC Television in Spanish 2300 GMT 7 Sep 90

[Text] Panamanian President Guillermo Endara said that a rise in IRHE [Institute of Hydroelectric Resources and Electrification] power rates and fuel prices is inevitable, and he emphasized that we need to be realistic in the face of the serious Persian Gulf problems.

[Begin recording] [Endara] The IRHE has huge electric generating problems, and now it has an even greater problem: The price of oil is rising. The government is not raising it arbitrarily. Prices are going up internationally due to a series of factors, such as the Persian Gulf war. The IRHE is having to spend far more money on oil—bunker fuel or diesel. All Panamanians are going to be affected. Gasoline prices are regrettably going up, not because the government wants to raise them, but because the price of oil is rising.

[Reporter] How long will these power blackouts last?

[Endara] I repeat, I wish I could say they will be over soon. I must tell you the truth, however. We are emerging from a critical period, but we shall go back to it because we have the dry season right around the corner. The dry season will cause low production from our hydroelectric plants. We will face a critical hydroelectric situation that will last at least until May, when the rain returns. This is not a matter of making consultations. We need to see what can be done. If there is a drop in power production, we must take steps so that not just one sector is affected. Perhaps the industrialists would like the nonindustrial sectors to be without power all day to allow the industrialists to have power. We need to ration electricity. I am sure the IRHE director would be more than willing to talk with the industrialists to see what formula can be found—not to avoid them having their power rationed, but to see what hours would be the least harmful. We all have to suffer the consequences of what is happening in Panama, such as the lack of electrical power. [end recording]

Mayor Cochez Clarifies Criticism of Endara

PA0709133190 Panama City Cadena Exitosa in Spanish 2309 GMT 6 Sep 90

[Letter sent to President Guillermo Endara by Panama City Mayor Guillermo Cochez; place and date not given]

[Text] Mr. President:

I received your note, DP-395-90 of 6 September 1990. In this note you tell me that after having read my article, which was published today in EL PANAMA AMERICA, you have been checking the mail arriving at your office and are surprised to see that you have not yet received my resignation as mayor of Panama City, the post with which you distinguished me. Mr. President, you have not received my resignation because I feel I am part of the democratizing effort that you are making in the Presidency to pull the country out of the moral, social, political, and economic depression, in which it lived for 21 long years.

In my newspaper comments, I have always made it evident that I am firmly aware of the effort the government, over which you preside, is making to restore to the country trust in their government leaders. Perhaps because of lack of precision in my writing and because of the abstract nature of its message, my article does not make it clear that rather than criticize the government, I am proud to comprise part of it. My article is a call to all of us who serve in this government to work harder and to join efforts, because as you say in your last paragraph, the people definitely deserve something better from all of us.

Mr. President, my article does not precede my resignation because this is not an autocratic and Norieguist regime. My article has preceded my reiteration that I am committed to work tirelessly for the country's reconstruction and reconciliation. You will always find me ready to work, facing difficult tasks despite the obstacles that we all face every day.

Respectfully yours,
Guillermo A. Cochez
Mayor of Panama City

Endara Reconciled With Cochez

PA0709205990 Panama City Radio KW Continente in Spanish 1200 GMT 7 Sep 90

[Report on news conference by President Guillermo Endara Galimany by Homero Londono with unidentified reporters; place and date not given—broadcast in progress]

[Text] [Begin recording] [Endara] ...first must leave and then state the problem. I understand that he is upstairs. I would like to talk to him. I have not distanced myself from Willy. If he is upstsairs I will receive him gladly and will hear whatever he has to say, and I will also say my part, you can be sure of that.

[Reporter] Are you on good terms with the mayor?

[Endara] I have smoked the peace pipe with people who have said many things about me. I do not think ...[changes thought] Willy and I have been friends for a long time. If Willy is not happy with the government, however, and does not want to be part of it, he can resign. By the same token, if he offers me a peace pipe I will smoke it. [end recording]

Asked to comment on the article written by Panama City Mayor Guillermo Cochez which was published by EL PANAMA AMERICA, Endara said:

[Begin recording] [Endara] He expressed his opinion regarding the national government. He is a high government official, as the position of Panama City mayor is almost at the ministerial level. I felt, therefore, that if he had such a bad opinion of the government—of course, he has every right to have a bad opinion of the government—logically it meant that he had resigned or that he was going to resign. I have been waiting to receive his resignation letter in my office, and since I have not seen it, I decided to write him a note asking him if his letter got lost in the mail.

[Reporter] Can this be interpreted as your request for Cochez' resignation?

[Endara] No, the note means exactly what it says. Exactly what it says: If he submitted his resignation, and it got lost in the mail, I would like to know what happened.

[Reporter] Does this mean that should there be white smoke between you and the mayor this afternoon, a specific agreement, it is because of some kind of pressure from the Christian Democratic Party [PDC]?

[Endara] The PDC does not pressure the president of the republic. Do not let anyone make you believe that parties are exerting pressure. Come on, the PDC is a serious party.

[Reporter] Is it true that there is pressure for Cabinet changes?

[Endara] No. I will say this again, because I think it is worth repeating. I have an excellent cabinet. It is comprised of first class people. We work well together. It is true that they belong to political parties, but even if they did not belong to those political parties, I would have chosen them as members of my cabinet, because they are excellent people.

[Reporter] Do you think the alliance will hold together until 1994?

[Endara] I am sure of it. The alliance [break in reception] with the people, and this is a sacred commitment. It is practically a commitment with God, because the people are God's image to us politicians.

[Reporter] Mr. President ...

[Endara] Wait. The alliance will maintain that commitment as long as necessary to fulfill our promises to the people. We promised the people democracy and liberty. We have kept that promise. Now we must do something fundamental, which is making democracy and liberty work for the benefit of the people.

[Reporter] You said that you promised democracy and liberty. Justice, however, is still slow.

[Endara] You know what the problem with justice is. First, I must clarify that this problem is not handled by the Executive Branch, but by the Judicial Branch and the Attorney General's Office. First, the problem is the enormous amount of cases. Never before in Panamanian history has the Judicial Branch had to handle so many cases as today. Second, the problem of the delay in justice is an old problem. What are we—not the Executive Branch, although we are in favor of those actions—trying to do? The Supreme Court, the Attorney General, and the National Bar Association are drafting a number of laws to eliminate legal procedures that are not seen as absolutely necessary for the defense of someone who faces charges, and in that manner expedite justice.

[Reporter] Although this is not your decision, we would like to hear your opinion of the request to grant safe-conduct to Rodolfo Chiari de Leon, someone who closed down the media?

[Endara] I heard that Panamanian Ambassador to Ecuador Harmodio Arias said something on that issue. I would like ...[changes thought] I have not called him yet to find out exactly what he said. Sometimes international dispatches are incomplete or distorted. There is no such thing. Rodolfo Chiari de Leon has been charged with a common crime, for making attempts against the liberties of the Panamanian people. He not only closed newspapers, but destroyed media sources. So forget it, there will be no safe-conduct for Rodolfo Chiari De Leon. [end recording]

Justice Said Not Priority Issue for Assembly

PA0609162790 Panama City LA PRENSA in Spanish 4 Sep 90 p 1a

[Unattributed "As of Today" column]

[Text] When the nation's attorney general asked the previous legislature to determine whether there was cause to open legal proceedings against some PRD [Democratic Revolutionary Party] legislators, Christian Democrat Carlos Arellano Lennox, who was then Assembly president, declined to comment on the request, saying that there was no time to review the correspondence. During the days that followed, he and other PDC legislators decided that during the short time left before the end of the legislative period, it was impossible to study the summaries of the cases and issue a statement on the request.

After the sessions ended, the instinct for self-preservation of those PRD legislators, made them leave the country before their immunity expired. They did not return until their legislative immunity for the current legislative period, which began 1 September, became effective. Whether it is because politics change people or people change politics, the PDC legislators began the regular assembly sessions by discussing the issue as a priority topic. The legislators who belong to the other parties that comprise the alliance have objected to this. Speculation abounds and no doubt there will be explanations on the part of those legislators. All that is clear, however, is that the proper administration of justice is not a priority topic for any of the parties represented at the Legislative Assembly. Poor country!

Authorities 'Concerned' Over Traffickers Escapes

PA1009033490 Panama City LA PRENSA in Spanish 7 Sep 90 p 1 A

[Report by Jose Quintero de Leon]

[Text] Official sources linked to the Attorney General's Office have told LA PRENSA that drug traffickers continue to escape from both the Modelo Jail and Coiba Penitentiary Island. According to our source, the authorities are "seriously concerned" about this situation, which calls for a special investigation to clarify if it is the result of negligence or if the guards are in complicity with the prisoners.

According to reports, when one of the camps at Coiba Penitentiary Island were checked, it was detected that Roger Dominguez—who had been arrested for drug trafficking—was missing. Modelo Jail Director Merardo Castrellon immediately notified Attorney General Rogelio Cruz Rios of the prisoner's escape.

Later, on 26 August, it was noted that Colombian citizen Pedro Luis Valenzuela Hurtado—who had been imprisoned on 5 July—was inexplicably missing from the Modelo Jail. Visits Supervisor Second Lieutenant Samuel Zambrano notified Jail Security Chief Lieutenant Luis A. Gordon and reported to Modelo Jail director Merardo Castrello.

The source said that it has been noted that narcotics traffickers are the ones who find more opportunities to escape. For example, last 17 July, Uruguayan Carlos Gea Crespo escaped while he was in the hospital, and another Colombian escaped from Coiba Island.

Bomb Explodes in David Swimming Pool

PA0809013390 Panama City RPC Television in Spanish 2326 GMT 7 Aug 90

[Text] Early this morning, a powerful bomb exploded in the swimming pool of a David club in Chiriqui Province. The explosion caused considerable damage, but no casualties. The bomb was thrown from outside the club, and it left a large hole, which proves how powerful it was. As of late this afternoon, no rebel movement had claimed responsibility for this terrorist attack. Presumably, members of the so-called M-20 Movement [20 December Movement] are behind this action. The M-20 has claimed responsibility for every terrorist action in the country since the 20 December U.S. intervention in Panama. The Chiriqui community is very anxious and concerned about this terrorist action. Police and Judicial Technical Police officials began an immediate investigation to apprehend those responsible. Chiriqui Governor Edgar de Puy comments on the attack:

[Begin De Puy recording] According to the preliminary investigation, the bomb was thrown over the fence. We do not have a description of any vehicle that could have been prowling in the area at that time. None of the employees saw the person who threw the bomb. The bomb caused a lot of damage. The pool was totally destroyed. I have already stated my concern publicly over the terrorist acts that have been occurring. We are going to take very strict measures today and will announce them to the public in due time. [end recording]

Further on Pool Attack, Others

PA0909024790 Panama City EL SIGLO in Spanish 8 Sep 90 p 16

[Report by C. Justavino and O. Lezcano]

[Text] Three terrorist attacks have occurred in Chiriqui Province in less than two weeks. These attacks are part of the destabilizing actions allegedly organized and carried out by elements displaced from power and who support the dictatorship. Three bombs exploded in three different places in Chiriqui Province, damaging public and private property and sowing terror among the people of Chiriqui.

The first incident occurred at approximately 0345 on 1 August when a powerful bomb destroyed the transformer at an IRHE substation located in the Balbuena area, approximately 150 meters from the Risacua River. More than $10,000 in damage to the transformer was reported.

The transformer supplies power to Las Lomas and other towns. The explosion left the area without electricity and created much alarm among residents.

The second incident occurred at approximately 0400 on 6 August when another bomb, not as powerful as the first, exploded in the San Vicente de Paul neighborhood, causing severe damage to the warehouse of the Central Furniture Store. The building where the warehouse is located is owned by Mr. Manolo Esteves. Some damage was reported to the building, which is located along the road to San Carlitos. The explosion also shattered the windows of the house where the Miranda family lives, which is located near the site of the explosion.

The third in the series of terrorist attacks in Chiriqui Province occurred at approximately 0115 on 7 August when unidentified persons hurled a bomb against the David Club in El Varital. The bomb exploded and caused considerable damage to the club's swimming pool. It is believed that the powerful bomb was hurled from outside the club. It caused a very loud explosion and made a gap a foot deep and meter wide in the bottom of the swimming pool. According to experts, the bombs are being handled by people who are familiar with explosives, and it is believed that persons linked to the dignity battalions or former soldiers, trained during the days of the military government, could be actively participating in this wave of terrorist actions that is rocking Chiriqui Province.

Foreign Ministry Denies U.S. San Blas Manuevers

PA0909040690 Panama City LA ESTRELLA DE PANAMA in Spanish 8 Sep 90 p A1

[Foreign Ministry communique issued in Panama City on 7 September]

[Text] Regarding speculation that the U.S. Army has recently been conducting military maneuvers in areas close to the San Blas Indian region, the Foreign Ministry hereby announces to the people that:

Through the Joint Committee, the U.S. military authorities have confirmed that no such maneuvers have taken place.

Linares Rules Out Rejoining Group of Eight

PA0909012190 Hamburg DPA in Spanish 2301 GMT 8 Sep 90

[Text] Caracas, 8 Sep (DPA)—Panamanian Foreign Minister Julio Linares has ruled out having Panama rejoin the Group of Eight and has reaffirmed that, among other reasons, the U.S. invasion of Panama was due to private U.S. Government interests.

"For Panama, the Group of Eight is something of the past," Linares told DPA during an informal foreign ministers' meeting in Caracas. It was learned that next month Caracas will host a Group of Eight summit, where Chile and Ecuador's membership will be considered. Linares repeated that the U.S. intervention "was not only" due to the resolve to topple General Manuel Antonio Noriega and "free" the people of Panama, but also for U.S. strategic interests. According to Linares, the U.S. invasion was a combination of Panamanian and U.S. "joint interests."

The minister ruled out the possibility that the government alliance, which took power following the invasion, would dissolve and said that the current crisis stems from the lack of democratic experience in Panama. "We become alarmed when differing ideas clash and immediately think that this is a prelude to a breakup," Linares said. He added that Panama had lived under tyranny for the previous 21 years.

Cuban Opposition Leader Receives Support

PA0909153490 Panama City ACAN in Spanish 2008 GMT 5 Sep 90

[Text] Panama City, 5 Sep (ACAN-EFE)—Ignacio Castro Matos, leader of the opposition Cuban Democratic Party (PDC), concluded today a four-day visit to Panama, during which he obtained the support of politicians in the government and called for a greater isolation of Fidel Castro's regime. A document supporting the Cuban opposition, which was signed, among others, by all the Christian Democratic Party deputies, states that Castro "is bent on going against everyone to remain in power, without realizing that the rebellious spirit of the people cannot be repressed with weapons."

When questioned about Panama-Cuba relations, Castro Matos told ACAN-EFE that the breaking of relations between the two nations "is an issue which concerns the Panamanian Government," but then added: "Fidel Castro's isolation should be constantly on the increase." Since the U.S. invasion of Panama and Castro's criticism of the Endara government, the Cuban diplomatic mission in Panama has been reduced to four persons.

The anti-Castro leader, who recently made public in Nicaragua the existence of the PDC, said that this organization is the only "valid" option in Cuba, and its objective is to topple Fidel Castro's regime. He added that the PDC aims to become "the majority party of the Cuban people" with a "central, democratic" platform. During his stay in Managua, the anti-Castro leader made a call for "rebellion" in Cuba and rejected all dialogue with Castro, denying, nevertheless, that his movement is pretending to launch from Nicaragua a military invasion against Cuba.

The PDC's "Programmatic Manifest" ("Manifiesto Programatico") highlights the abolition of the death sentence and the prosecution of all those who, "through error or omission, have stained their hands with blood" since January 1959 (initiation of Castro's regime) "until the downfall of the tyranny." Matos explained that there are seven clandestine PDC leaders "internally" in Cuba, and that abroad he has an equal number who act as representatives of the organization.

Argentina

Cost of Living Rises 15.3 Percent in August

PY0809015490 Buenos Aires BUENOS AIRES HERALD in English 7 Sep 90 p 1

[Text] (DYN-NA)—The cost of living rose 15.3 percent last month, the National Institute of Statistics and Census (INDEC) announced yesterday.

Wholesale inflation was registered as 17.2 percent while the cost of construction rose 14.2 percent. When announcing these figures to the press, Planning Secretary Moises Ikonicoff stressed that this was the first time since February that wholesale indices had outstripped retail prices.

Food and beverages (17.5 percent), housing (17 percent) and health (16.8 percent) were all above the monthly average in the retail figure.

Within construction, labour only accounted for 6.4 percent while the cost of materials rose 17.1 percent and general expenses 12.7 percent.

Ikonicoff would not be drawn into a September forecast but admitted to a significant lag effect.

Inflation at 5,648 Percent Under Menem

PY0909225690 Buenos Aires BUENOS AIRES HERALD in English 9 Sep 90 p 4

[Text] (DYN)—Inflation under President Carlos Menem during his first year of government was 5,648 percent, while the Gross Domestic Product (GDP) dropped 4.6 percent with respect to 1988, according to an economic report from the IPES [Institute for Economic and Social Policy] economic institute.

The GDP has been dropping steadily that last seven years. The worst drop was in 1981 under military rule when it fell 6.7 percent.

Government wages dropped to 82.7 percent of their July 1989 value by June this year for public employees and to 58 percent of their value for state company employees during the same period, according to the report.

Industrial workers were luckier as wages in the sector rose by 0.8 percent under Menem. The minimum retirement pay had risen 29.5 percent in real terms by May this year, the report states.

Energy consumption was down 8.6 percent during the period, an indicator of flagging industrial production, but oil production was up 2.9 percent between July 1989 and March 1990.

The production of laminated steels dropped 17.1 percent during the period, and cement production was down 33.9 percent.

Handling of Telephone Strike Criticized

PY0909222690 Buenos Aires BUENOS AIRES HERALD in English 8 Sep 90 p 11

["Alsogaray 'Diabolical' Say Critics"—HERALD headline]

[Text] (DYN-NA)—A number of major political figures spoke out against the handling of the telephone workers' strike by ENTel [National Telecommunications Enterprise] Trustee Maria Julia Alsogaray and President Carlos Menem yesterday.

Vice-President Eduardo Duhalde called Alsogaray "irresponsible" saying her attitude "bears no relation to the delicate situation the country is going through."

Cordoba Governor Eduardo Angeloz said: "If I were President, this lady would not be my trustee." Angeloz said his province had faced similar strikes but that he had never resorted to "measures of this nature, such as calling in the Army as a kind of Pretorian guard" to replace striking workers at their jobs, as ENTel has done.

Peronist Deputy Juan Pablo Cafiero called for "a friendly and civilized gesture" from the President to end the strike and said Alsogaray's attitude "is incomprehensible."

Radical Deputy Carlos Antonio Gorosito said Alsogaray has "earned enough credits to go down in history as one of the worst public officials the Argentine republic has ever known, along with former ministers Roca, Pinedo, Lopez Rega, Rodrigo and Martinez de Hoz, among others. Let us recall, in brief, that the ENTel trustee has steered one of the most disorderly and irregular privatizations yet known, she afterwards hit users over the head with charges which obeyed no financial or economic rule, plus recently announcing fresh hikes. If any doubt was left about her inability to manage a company, she rejected the mediation of the Catholic Church in a conflict where workers chose one of the most dignified ways of making their voice heard, through bishops and priests. Nothing seems to stop a woman who with her diabolical manoeuvres does little to help the government of which she forms a part."

Peronist Catamarca Senator Alicia Saadi said that when rumours of Alsogaray's resignation ran through the Senate earlier this week, "we considered it a triumph not of the Peronist people but of all the Argentine people."

Popular Socialist Deputy Guillermo Estevez Boero issued a statement saying: "We denounce this outrage of the government which, together with Maria Julia Alsogaray, decided to solve the conflict bringing the military on the scene."

Retired Colonel Mohamed Ali Seineldin, leader of the carapintada rebel faction of the Army, said through a spokesman: "There exists deep unease at the fact that, with the agreement of military leaders, the Army has been involved in a labour conflict without any moral justification."

Socialist Deputy Simon Lazara also criticized calling in the Army: "If this is the attitude public officials take when they get annoyed, we can expect them to call in the military when we oppose draft laws sent by the Executive as well."

The Peronist dissident "Group of Eight" called Alsogaray "arrogant, authoritarian and even irrational."

MAS (Movement Towards Socialism) Deputy Luis Zamora also opposes the use of military personnel: "They are trying to use the Armed Forces and the police against a legitimate constitutional method such as the right to strike."

Alsogaray Defends Actions

PY1009000090 Buenos Aires BUENOS AIRES HERALD in English 9 Sep 90 p 4

["Alsogaray Talks Tough"—HERALD headline]

[Excerpt] (DYN-NA)—The use of military personnel to replace striking workers at the ENTel [National Telecommunications Enterprise] phone company was authorized by President Carlos Menem, ENTel Trustee Maria Julia Alsogaray said yesterday while at the same time announcing that phone rates will be increased again next month by an undetermined amount.

The government will not enter into negotiations with the Buenos Aires city branch of the FOETRA [Federation of Telephone Workers of the Argentine Republic] phone workers' union until the strike, which enters its eighth day today, is called off, Alsogaray said.

"President Carlos Menem has been very clear on this point. The fact that the labour ministry has declared the strike by the Buenos Aires branch illegal forbids any kind of talks with those outside the law," she said.

The ENTel trustee called for the "unconditional" lifting of the strike. "The Buenos Aires union has brought politics into the conflict because it is opposed to the privatization of the company," she said.

She said also that FOETRA-Buenos Aires leader Hector Esquivel is closely alligned with Saul Ubaldini, secretary-general of the rebel Azopardo branch of the General Labour Confederation (CGT) and that current protests are directed against ENTel privatization rather than at wage levels.

She offered little hope that the 420 employees fired since the strike began could be eventually rehired. "President Menem has said there will be no massive reincorporations because the layoffs are the result of an illegal strike. We know many employees have been pressured not to go to work... we are willing to consider them on a case by case basis," she said.

She dismissed sharp criticism from Vice-President Eduardo Duhalde who has labelled her handling of the strike "irresponsible" by pointing out that "orders come from the President."

She also dismissed criticism of her decision to call in the Armed Forces to try and break the strike: "The trouble is that some people still feel the Armed Forces almost should not exist. This is not the President's feeling and he's the commander of the Armed Forces."

Also yesterday, sources close to FOETRA-Buenos Aires said the union may decide the call a 72-hour truce tomorrow, acting on a recommendation from San Justo Bishop Rodolfo Bufano, who unsuccessfully sought to act as mediator in the strike last week.

The union will seek to have Alsogaray approve a previously negotiated 55 percent average wage increase for the June-August period, the non-approval of which caused the strike. [passage omitted]

Menem Threatens To Block Airline Sale

PY0809015690 Buenos Aires BUENOS AIRES HERALD in English 7 Sep 90 p 1

[Excerpt] (DYN)—President Carlos Menem yesterday threatened to block the privatization of Aerolineas Argentinas (AR) if the Iberia-Cielos del Sur consortium attempts to finance the acquisition by cashing in on the state airline's planes.

"The government will under no circumstances accept a manoeuvre of this kind" Menem responded when questionned about alleged plans by the purchasing group's financiers, the First Boston Corporation, for the sale of AR aircraft as a means to cover the initial 130 million-dollar down payment.

The issue came to the forefront yesterday with a report published by CLARIN revealing the contents of a memorandum reportedly drafted by the First Boston Corporation with details of the financing project.

The memorandum predicted that the aircraft would bring in a revenue of 225 million dollars, which would allow the consortium to hand over the necessary cash and complete the privatization.

Although the 130 million dollars has been due since the end of August, the only form of payment made has been through a letter of credit extended by the Hispano American Bank of New York, which has been branded as insufficent both by the Bicameral Privatization Committee and President Menem. [passage omitted]

Sale-Leaseback Concept Clarified

PY0909223090 Buenos Aires BUENOS AIRES HERALD in English 8 Sep 90 pp 1, 5

[Text] In what appeared the sorry explanation of a case of plain misinformation, representatives of Iberia Spanish airlines and the First Bank of Boston fielded questions from the press at the Economy Ministry about the forms of payment for Aerolineas Argentinas (AR) yesterday in a last-minute meeting.

A previous press conference had been called for 6.30 pm at the Claridge Hotel but was cancelled 70 minutes later because the executives slated to give the conference were held up at the Ministry while seeking a solution to the present problems marring the privatization of the state-owned airline.

But when the press arrived in the Ministry, Economy Minister Antonio Erman Gonzalez, Public Works Minister Jose Roberto Dromi, Iberia Directors Jose Maria Dominguez Ibanez and Eduardo Mateo, and First Bank of Boston Investment Director Pedro Pablo Kuszinski had finished briefing Economy Ministry reporters.

Gonzalez explained that the government in the person of the Attorney-General would analyze the validity of the bidders' use of an Irrevocable Letter of Credit (ILOC) in favour of the Argentine government at the Banco Hispanoamericano in New York, which the bidders gave the government on August 20 in order to make the first 130-million-dollar payment.

A special committee would be set up to analyze the proposal, which the government maintains was not in the initial terms of the sale. No information was given as to how long it would take the committee to issue a ruling. When the bulk of the press who had waited at the Claridge arrived in the Ministry, Dominguez Ibanez, Mateo and Kuszinski accepted a request to answer questions from the press. No Austral official joined in.

But another hot bone of contention these days was the rumour that the bidders would resort to an airplane sale/lease-back operation to raise equity to make up the 130 million dollars. However, the bidder group downplayed the idea as a case of misunderstanding. Regretting the confusion, Mateo said at no time did the bidders consider a sale/lease-back of the airplanes to raise money to pay for the airline. He said the process was on the bidders' agenda but for a later date and after they took over the airline.

Mateo said the outcome of the ministerial meeting showed the two parties' (the government and the bidders) interest in successfully concluding the privatization of AR.

"We have talked about the forms of payment, which are satisfactory to those monitoring this process," Mateo added, although admitting he would like to see the process proceed more rapidly. He pointed out that a basic problem, the granting of waivers by Argentina's creditor banks, had been overcome.

Dominguez Ibanez said the government was requesting confirmations and guarantees which were undertandable in such an important transaction. He explained the sale/leaseback was planned and needed for some time ahead as a form of financial guarantee—given AR's financial background—for future airplane acquisitions and investment equity, explaining that it would consist in six airplanes being sold and leased back through a financial lease with no residual value. "We would need 225 million dollars in equity over the next five years," he said.

Asked what the consequences would be should the Government reject the ILOC, both Mateo and Dominguez Ibanez said the group would analyze the reasons put forward by the government. Although the conditions of the sale of AR stipulated that payments should be made in cash in Buenos Aires, they did not specifically rule out payments via a letter of credit. The general impression was that the government had been late to discover that the sale of AR would not hold water from the very start as drafted.

Human Rights Groups Note 'Alarming Developments'

PY0909220290 Buenos Aires BUENOS AIRES HERALD in English 8 Sep 90 p 11

[From the "Argentina in Brief" column]

[Text] Human rights organizations denounced yesterday the existence of "a repressive and authoritarian campaign against the citizens of this country" in a statement signed by 10 human rights groups and individuals. The communique mentions tortures in police precincts, human rights violations in prisons, systematic arrests of certain minority group members and the presidential pardons of Armed Forces officers accused of human rights violations as examples of "these alarming developments." Signers of the document include the Mothers and Grandmothers of Plaza de Mayo, the Peace and Justice Service, the Association of Relatives and Friends of Missing People, the Homosexual Community and the Tenants' League.

Police Find Arsenal in Rosario; One Arrested

PY0709212890 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1448 GMT 7 Sep 90

[Text] Rosario, 7 Sep (NA)—The Rosario 3d Federal Court has disclosed that a large quantity of bombs, weapons, and ammunition has been found in an apartment in the Alberdi neighborhood of this city.

On the orders of Federal Judge Omar Federico Flores, members of the 1st Police Station raided the apartment on the third floor of the building on 1808 Casiano Casas Street where various weapons, bombs, and antiaircraft rounds [municiones de guerra para armas antiaereas] were found.

The policemen seized the following: four cakes of TNT, detonators, hand-grenades, a Winchester, a nine-mm pistol, a shotgun, two short-barrel guns, and various types of ammunition.

Because of the type of materiel seized, an explosives squad from Rosario was called to transport the cache to the respective court.

Only the occupant of the raided apartment, 33-year-old Ruben Enzo Nigro Pellegrino, was arrested. He has been placed at Judge Flores' disposal.

Bolivia

Interior Minister Capobianco Submits Resignation

PY0709133090 La Paz La Red Panamericana in Spanish 1130 GMT 9 Sep 90

[Excerpt] Interior Minister Guillermo Capobianco has placed his position at the disposal of the president. According to Capobianco, the decision was prompted by his desire to prevent the opposition from manipulating the Patriotic Agreement. Capobianco said that the MNR [Nationalist Revolutionary Movement] planned to exploit an incident in Chuquisaca to promote infighting within the Agreement and to encourage a challenge to his authority. [passage omitted].

Oscar Franco, acting president of the MIR [Movement of the Revolutionary Left], played down the importance of the situation created by the interior minister's resignation. Franco said that Capobianco will continue to be the interior minister until the president decides otherwise. He added that Capobianco has the support of the MIR, which is celebrating its anniversary today, and that he will meet with President Jaime Paz Zamora today to discuss the situation. [passage omitted]

Paz Confirms Interior Minister

PY0809030690 La Paz Television Boliviana Network in Spanish 0030 GMT 8 Sep 90

[Text] Interior Minister Guillermo Capobianco was confirmed today in his position by President Jaime Paz Zamora. Presidential Minister Gustavo Fernandez said that this case has been resolved.

[Begin recording] [Capobianco] I am very happy because the president confirmed me in my position. Perhaps this is the shortest resignation in a long time. I do not recall a case when a minister placed his position at the disposal of the president around 2100, and only three hours later he was confirmed by the president. I believe it was about three hours because the president was practicing sports and I had to wait for him a long time. I would like to reiterate that my confirmation enhances in me my dedication for our country, our people, our movement, and the Patriotic Agreement.

[Fernandez] The confidence the president and the Patriotic Agreement have in Capobianco was never questioned. This is what I clearly want to convey. I would like to point out that it is necessary to completely clarify the circumstances surrounding this incident, which was discussed yesterday by the Chamber of Deputies, so as to order appropriate punishment. [end recording]

Government Experiencing 'Worst Political Crisis'

PY0809160490 Madrid EFE in Spanish 1647 GMT 7 Sep 90

[Text] La Paz, 7 Sep (EFE)—The Bolivian Government is enduring its worst political crisis following an announcement that a minister had resigned, a request for another minister to resign, and the rebellion of a high-ranking official who refuses to follow his superior's order to resign.

According to political commentators, the difficult political situation that began yesterday is threatening the stability of the government coalition made up of the social democratic MIR [Movement of the Revolutionary Left] headed by President Jaime Paz Zamora and the right-wing Nationalist Democratic Action, ADN, headed by General Hugo Banzer.

Interior Minister Guillermo Capobianco, one of Bolivian President Jaime Paz Zamora's closest aides, submitted his resignation last night following a tumultuous congressional session during which deputies discussed the 2 September incident between a legislator and the police. According to Capobianco, Deputy Gaston Moreira of the ruling ADN was involved in a fight with three policemen when he showed up drunk and tried to gate-crash a party near the southern city of Sucre.

ADN legislators and Deputy Moreira categorically rejected Capobianco's assertion during a harsh confrontation with their MIR colleagues, saying that the legislator suffered police "aggression" and asking Capobianco to answer for it.

"If I am an obstacle or a nuisance to the government, I prefer to resign and place my position at the disposal of the president," Capobianco told the ADN legislators when he heard that they wanted him to answer for the incident.

The incident was resolved with the suspension of Police Chief General Felipe Carvajal, who failed to appear before a congressional commission investigating the incident involving Deputy Moreira. President Paz Zamora also ratified the interior minister in his post after all-night meetings during which the problems facing the two governing parties were seemingly resolved.

However, the local daily PRESENCIA reported today that high-ranking ADN officials will request the resignation of Labor Minister Oscar Zamora, who is being held responsible for a decree exempting 200,000 retail merchants—most of whom are involved in contraband—from paying taxes. The decree was announced last week by President Paz Zamora from a Government Palace balcony to a group of merchants who will benefit from the measure.

Planning and Coordination Minister Enrique Garcia and Finance Minister David Blanco have admitted that they were not consulted about this decree while La Paz Mayor Ronald Maclean, who is one the main ADN leaders, has engaged in a verbal battle with Oscar Zamora because he believes it is a mistake to exempt retail merchants from paying taxes.

Zamora, an old communist leader who was arrested and exiled during the military regimes, is the government member whom the ADN dislikes most, according to political sources.

The political crisis broke yesterday when Mining and Metallurgy Minister Walter Soriano Lea Plaza announced that the president of the state-owned Bolivian Mining Corporation (Comibol), Wilfredo Salinas, had asked to be replaced in his post. Salinas, who holds the highest post in the state enterprise that administrates all the state mines, has been accused by a congressional commission of being involved with Brazilian businessmen in illegal gold exploitation in northern Bolivia.

The mining minister announced Salinas' suspension during a news conference attended by the Comibol president. Salinas clearly appeared surprised and upset when his supervisor announced the "request for leave" made by Salinas. A few hours later Salinas held a news conference to categorically deny he had requested to be replaced, thus rebelling against the minister to whom he answers.

A headline in the local daily LA RAZON today stated: "The government is enduring the worst political crisis of the past 13 months."

Defense Minister on U.S. Aid in Drug Fight

PY0809121590 La Paz La Red Panamericana in Spanish 0000 GMT 8 Sep 90

[Text] Defense Minister Hector Ormachea has stated that he does not believe that the United States will commit the blunder of conditioning the disbursement of $33 million to the Army's direct intervention in the antidrug fight. He said that if this situation arises the government will have to seriously evaluate the possibility of issuing a declaration.

The minister recalled that the Air Force and Navy are participating in support actions in the antidrug fight and that the Army's participation will take place under certain conditions.

[Begin Ormachea recording] This means that the Armed Forces, and especially the Army, are not going to participate, as the president has said, unless the special antinarcotics forces are overrun, and then only with the prior authorization of the president in his role as captain general of the Armed Forces.

Also, this means that no action of any kind is going to be taken against the campesinos who produce coca leaves, but will indeed be taken against criminals who are located [words indistinct]. [end recording]

The defense minister reiterated that herbicides or defoliants will be used to eradicate plantations in the fight against drug trafficking.

Foreign military troops will not be allowed to participate in actions against drug trafficking and production. Bolivia and its Armed Forces need equipment to carry out the fight against this crime, and U.S. aid was accepted within this context, the minister concluded.

President Addresses MIR Celebrations

PY0809024490

[Editorial Report] La Paz Television Boliviana in Spanish at 2224 GMT on 7 September begins live coverage of a ceremony held at Government House to celebrate the 19th anniversary of the Movement of the Revolutionary Left-New Majority, MIR. The ceremony is attended by President Jaime Paz Zamora, MIR national leaders and members, Nationalist Democratic Action members, Christian Democratic leaders, the Senate president, the Chamber of Deputies president, cabinet ministers, and members of Congress.

The ceremony begins at 2225 GMT with comments by MIR leader Oscar Eid Franco in which he emphasizes the importance of the occasion and the party's involvement in building the country. He notes that the Patriotic Agreement is doing well. After reviewing the party's history, he announces that the first MIR national congress will be held in September 1991.

At 2246 GMT, President Paz Zamora begins to speak. He says that the direction followed by MIR is the direction of the Bolivian people and adds that MIR is "in the service of the people." On the upcoming MIR national congress, Paz Zamora says the first congress is being held after 20 years, after the party has matured. He adds: "On this anniversary, we should be aware that the party bears an indelible mark, a sign that cannot be erased—its commitment to democracy."

Paz Zamora then says: "The MIR-New Majority came to life to carry out the modernization of the country, the modernization of the country in all its aspects—state, society, and the economy." He notes that the Indians are suffering and must be taken care of. Paz Zamora then reviews the history of MIR. He concludes his speech at 2317 GMT.

The ceremony ends at 2320 GMT following the MIR anthem.

MNR Leader Clarifies Deputy's Comments

PY0709182090 La Paz Television Boliviana Network in Spanish 0030 GMT 7 Sep 90

[Text] Gonzalo Sanchez de Lozada, president of the Nationalist Revolutionary Movement, MNR, came to Congress today to explain to the Constitutional Committee about the call to arms made by an MNR deputy. He said that MNR Deputy Edil Sandoval Moron was using rhetoric in his speech.

In the presence of committee members and national senators, Sanchez de Lozada reiterated that Sandoval's speech was pure rhetoric. We have a report from Antonio Valdez:

[Begin recording] [Valdez] MNR Chief Gonzalo Sanchez de Lozada spoke before the Senate Constitutional Committee. He said that there is no reason to worry about a call to arms if the members of the coalition ADN-MIR [Nationalist Democratic Action-Movement of the Revolutionary Left] are willing to respect the outcome of the votes in the upcoming elections. The committee meeting with Sanchez de Lozada that was called to clarify the call to arms made by MNR Edil Saldoval was less controversial than expected.

[Sanchez de Lozada] Sandoval explained that an uprising may occur if there is a fraud in the 1993 elections. If we assume that there is no intention [words indistinct] I believe there is no reason to worry about what will happen in 1993. I believe that it was a [words indistinct] to explain to the committee that the people may react violently if their will in the elections is not respected. [end recording]

Brazil

U.S. Release of Rocket Motor Casings Reported

PY0909011090 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 8 Sep 90 p 9

[Report by Paulo Sotero]

[Text] Washington—After President Collor de Mello blew his top, the U.S. Government a few days ago released for shipment to Brazil seven rocket motor casings belonging to the Aerospace Technology Center [CTA]. The casings had been held in Chicago since May. However, Washington suspended the license that it had granted authorizing thermal treatment of this sort of equipment in the future.

This issue, which prompted Itamaraty to harshly protest to U.S. Ambassador in Brazil Richard Melton, has caused serious tension between the U.S. Department of State and the Pentagon. Furthermore, it could not have come at a worse time for Washington. At the very time when Washington is trying to mobilize the world against Saddam Husayn, the controversy over the Brazilian rockets has placed the Bush administration in a very embarrassing position because of the well-known links that past Brazilian Governments and retired Brazilian Air Force [FAB] officers have with the Iraqi missile program.

The State Department, which approved the release of the parts for shipment to Brazil, avoided commenting on the matter yesterday after its decision was made public by THE NEW YORK TIMES. However, an official source emphasized that the Brazilian rocket casings had nothing at all to do with the Iraqi crisis or the comings and goings of Brigadier Hugo Piva, the leader of former FAB officers at the service of Husayn. Over the last few weeks, U.S. diplomats have been telling O ESTADO DE SAO PAULO that the Brazilian Government seriously intends to participate in the embargo against Iraq.

The released components are part of the Brazilian space program. They had been sent to the Lindberg Engineering company for thermal treatment, which cannot be done in Brazil. These components are steel casings of a three-stage rocket that the CTA plans to begin testing in three years. Since missile technology is involved, the service had to be previously authorized by the U.S. Government.

In June, Lindberg Engineering informed the Brazilian Aeronautic Commission in Washington that the cooking of the components had been completed but that the components could not be shipped to Brazil because the U.S. Government had decided to review the license in keeping with the nuclear nonproliferation policy and the terms of the Missile Technology Control Regime (MTCR).

Several weeks of fruitless negotiations followed. The Brazilian Government argued that the rocket casings belonged to Brazil and should be returned irrespective of whether licenses were granted in the future. Meanwhile, the U.S. Government continued procrastinating, an attitude that implied questioning Brazil's official statement that the equipment in question was to be used for the Brazilian space program only.

According to a diplomatic source, two weeks after O ESTADO DE SAO PAULO made the problem public, President Collor took a hand in the matter. An official source who knew the story told O ESTADO DE SAO PAULO: "He got very mad at the way the North Americans were handling the matter, and he basically ordered that Washington be told that we are not a bunch of kids."

THE NEW YORK TIMES reported yesterday that the U.S. decision to release the casings was severly criticized by Gary Milhollin of the Wisconsin Projects for Nuclear Arms Control. "We should not export such items to countries like Brazil," Milhollin said. He believes that supplying rocket components to Brazil "is tantamount to giving missile technology to Iraq," and he mentioned the cooperation in this field between the two countries, cooperation that Brasilia denies.

Jordan, Egypt Asked To Help in Release

PY0809192990 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 8 Sep 90

[Text] Foreign Minister Francisco Rezek, who returned from Japan today, said that the Brazilian Government will request the support of Jordan, Tunisia, and Egypt in evacuating Brazilians from Iraq. Rezek arrived in Brasilia at 1100 this morning and went directly to the Foreign Ministry VIP room at the airport, where he

talked with his advisers about his visit to Japan and contacts with businessmen who want to expand their businesses in Brazil.

Rezek traveled to Japan to address economy matters, but he also analyzed the situation of the Brazilians in Iraq. In Japan he got the idea to request the support of the neighbors of Iraq that maintain good relations with President Saddam Husayn. Tunisia, Jordan, and Egypt will request that the Brazilians in Iraq be immediately granted visas to leave the country.

[Begin Rezek recording] The Brazilian Government does not want to rule out any opportunity. It wants us to join in the effort to immediately evacuate Brazilians who are still in Iraq. They represent at least 50 percent of the total number of Brazilians who were there at the beginning of the crisis. [end recording]

Rezek also said that yesterday the Iraqi Government granted visas to Lusiana and Zilda Sa, wives of Brazilians who work in Iraq, and to Pedro Samara, an employee of Brigadier Hugo Piva's firm, which provides military assistance to Iraq.

Operation To Pull Citizens Out of Iraq Viewed

PY0809232490 Rio de Janeiro O GLOBO in Portuguese 8 Sep 90 p 14

[Report by Jorge Bastos Moreno]

[Text] Brasilia—The Brazilian Government is putting together a secret operation to pull out the Brazilians who are currently in Iraq in approximately 72 hours. "President Collor de Mello has decided to give up on diplomatic channels," according to a government source who admitted that the operation does not necessarily mean that Brasilia will reach a diplomatic agreement with Baghdad. Up until yesterday only three Brazilian Government officials knew about this operation. According to one of them, "domestic intelligence services and those of friendly countries that have privileged contacts in the Persian Gulf" are being set into motion.

According to the same source, the evacuation of Brazilians who are being held by Iraq has become President Collor de Mello's main concern since the administration of President Saddam Husayn began to make demands in exchange for issuing exit visas.

One of the president's advisers who is involved in this operation said yesterday: "President Collor de Mello has felt from the very beginning that the problem would not be solved through diplomatic channels, telex, telephone, or other means of contact."

This matter is being handled like a state secret by the administration; therefore, the source refused to reveal the way in which this operation will be carried out. The source insisted, however, that diplomatic channels will no longer be used. This adviser said: "Anything that could be done to safely pull out Brazilians who are being held in Iraq is being considered." Asked whether one of the options under consideration could be a Collor trip to Baghdad, following the example of Austrian President Kurt Waldheim, to hold direct negotiations with Saddam Husayn for the release of Brazilians or the possibility of sending planes to rescue them, the source answered: "I cannot tell you whether the government will go as far as that, but you are free to speculate. There is one thing you can be sure about: The administration will not do anything that could jeopardize the lives of the Brazilians who are there. Thus, every precaution is being taken to keep this operation secret."

One of the reasons that moved President Collor de Mello to establish a 72-hour deadline for the release of the Brazilians is the common belief of all countries that tomorrow's meeting in Finland between Presidents George Bush and Mikhail Gorbachev may well be decisive step toward the beginning of hostilities in the Persian Gulf.

The Brazilian Government operation is focused on the Mendes Junior construction company camp 165 km of Baghdad where 202 Brazilian workers are being held. The only information that the source gave about this operation is that although its specific objective is to release the Brazilians, it is being set up with the assitance of several countries whose heads of governnment are in direct contact with President Collor de Mello.

Visas Granted to 146 Citizens

PY0909232390 Madrid EFE in Spanish 2156 GMT 9 Sep 90

[Text] Brasilia, 9 Sep (EFE)—Brazilian Foreign Minister Francisco Rezek reported today in Brasilia that the Iraqi Government has granted exit visas to 146 Brazilians who work in Iraq.

The foreign minister added that 126 of the Brazilians authorized to leave Iraq are workers from the "Mendes Junior" Construction Company, one of the largest in the country; 18 are from the "Volkswagen" vehicle assembly company, and two are citizens who have been living in Iraq.

He said the Brazilian Government believes that there must be at least 149 Brazilians still being held there, and who could be allowed to leave within the next few days, because "the Iraqi Government must be consistent."

Rezek said that an Air Force plane is ready to leave for a country bordering with Iraq, possibly Jordan or Turkey, to pick up the released group.

The 20 engineers of the "HOP" [Hugo de Oliveira Piva] Company, who are contributing to the Iraqi Government air-to-air missile project, are not among those allowed to leave.

The foreign minister added that Brazil has not negotiated with Iraqi officials any agreement contrary to the UN resolution to achieve the release of these Brazilians.

Retired Brigadier Piva Interviewed on Iraqi Aid

PY0709142690 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 6 Sep 90

["Exclusive" interview with retired Brigadier Hugo de Oliveira Piva by reporter Ernesto Palha; place and date not given—recorded]

[Text] [Palha] Brigadier Hugo de Oliveira Piva, retired, is 63 years old. He spent 42 years of his life in the Brazilian Air Force, during which he occupied several command positions. His last office was that of director of the Aerospace Technical Center (CTA) in Sao Jose dos Campos. Brigadier Piva left the CTA three years ago and began work in the private sector. What type of business did you have in Iraq when the conflict began?

[Piva] My business with Iraq is to provide consulting services. I have a consulting company that supplies assistance for high-technology projects, particularly in space, aeronautics, and materiel systems technology.

[Palha] It has been said that you and your team were helping Saddam Husayn's regime to build an atomic bomb.

[Piva, laughing] I am no superman. There is no truth in that; it is absurd to say something like that. That is like saying that if a person is able to manufacture a truck, he can then manufacture an automatic weapon or a precision-loading gun. Our team has nothing to do with an atomic bomb or large rockets. It has also been said that we have modified Soviet rockets to make [words indistinct]. No, not even one contract. This is entirely untrue. Our team simply gives technical assistance to the [name indistinct] missile project, which is a defensive, tactical missile. Public opinion will make that judgment, and I will have to accept each person's opinion.

I am not concerned about what people may think of me; I am only concerned about being true to my conscience. My conscience is at peace; I have done nothing wrong to Brazil or the world. The technology we are developing there—actually, that we are helping to develop—is technology to which they have access and will cause no imbalance in the region. [end recording]

Piva Details Research Activities

PY0809033090 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 6 Sep 90 International Section p 11

[Quotation marks as published]

[Text] Sao Jose dos Campos—In an official declaration issued yesterday, Brigadier Hugo de Oliveira Piva asserted that Brazil is not secretly supplying weapons to Iraq and that the 24 engineers and experts who work for his HOP [Hugo de Oliveira Piva] Consulting and Representation Enterprise and who are currently working in Iraq on an air-to-air missile project, "were officially registered at the Brazilian Embassy in Baghdad." Brigadier Piva refused to grant interviews, and the declaration was disclosed by his private secretary, who only identified herself as Venina. As she released the declaration, Piva's secretary noted: "What is stated there has been approved by the Brazilian Government." Following are the main points of the declaration:

"1. News reports carried by Brazilian and foreign media lately give the impression that Brazil is secretly supplying weapons to Iraq. However:

a) Brazil has never shipped any kind of large-scale strategic weapons to Iraq. It has only sold Iraq personnel carriers (Urutu), armed reconnaissance vehicles (Cascavel), Astros rocket launcher systems (with a maximum range of 67 km), ammunition for short-range weapons, and training aircraft (Tucano).

b) The great powers are responsible for supplying Iraq with war tanks, fighters, bombers capable of deep penetration into neighboring countries, cannons, medium-range missiles, bombs, radar factories, factories for the production of lethal gas used in chemical warfare, nuclear plants, bomb factories, etc.

2. As for the Brazilian engineers and technicians selected and appointed by HOP to develop an air-to-air missile in Iraq, we wish to clarify that:

a) The group is formed of highly specialized personnel who are helping a group of Iraqi technicians develop a short-range air-to-air missile similar to the Sidewinder, Magic, Shafrin, Piranha, etc. It should be noted that the Iraqi Air Force already has hundreds of similar missiles imported from the great powers. Therefore, the aid being granted by the Brazilian experts will not bring any imbalance to the region.

b) The technical solutions used for the new missile are different from those used for the Piranha. The designs, calculations, scale models, specific software, etc. of the Piranha project belong to the Aeronautics Ministry and, as a result, will remain at the CTA [Airspace Technology Center]. None of that information was taken to Iraq.

3. I personally went to Baghdad in late August to try to repatriate the engineers and their families as soon as possible and to negotiate the suspension of all activities while the embargo was in force. We have already managed to repatriate all of the engineers' relatives as well as three engineers; 21 engineers are still in Baghdad.

Signed: Brigadier Hugo de Oliveira Piva, retired."

HOP Company's Contacts Noted

PY0809224890 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 7 Sep 90 p 8

[Report by Leticia Borges]

[Text] Brasilia—Brigadier Hugo Piva's company, which grants military aid to the Iraqi Government, is headquartered in Monrovia, capital of Liberia, a small African country engaged in a civil war. According to an Itamaraty source, the company in Monrovia is called

Beuford Holdings Corporation. The company management is based in Panama City, and the employee salaries are paid by a branch of the Banque des Pays Bas in Luxembourg.

What all these countries have in common is the fact that they are paradises for businessmen, with very flexible laws that allow the possibility, for example, of carrying out secret bank transactions. There is nothing illegal about it, but it just goes to show how sophisticated the Hugo de Oliveira Piva company (HOP) is.

Despite the note issued by Brigadier Piva yesterday explaining what he and the HOP engineers do in Iraq, nothing is quite clear. At first they never approached the Brazilian Embassy in Baghdad. Now, never explaining what it is they do, they tell the Brazilian diplomats they want to leave Iraq.

Brigadier Piva never appeared at the embassy when he was in Iraq. However, the technicians started to visit the Brazilian representatives after the situation in Iraq started to deteriorate. Before that they only appeared at the embassy to deliver documents, such as tax statements. The strange thing is that when they appear to pay their fees to the Regional Engineering and Architecture Council (CREA) they do so as private individuals.

Itamaraty does not regard the activities carried out by "Piva's personnel" as illegal or illicit, although it reiterates that they damage Brazil's image. Yesterday, Infrastructure Minister Ozires Silva, who is a personal friend of Piva, said that when the group went to work in Iraq the situation was quite different and that the commercial relationship between the two countries was at a "very good level."

Minister Predicts End to Foreign Debt Problem

PY0809025890 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 7 Sep 90

[Text] Economy Minister Zelia Cardoso de Mello has confirmed in Brasilia that by the end of this year, all of the foreign debt problem will be resolved, and that a letter of intent with the IMF will be signed next week.

[Begin Cardoso recording] I believe that next Monday, or at least sometime next week, we will be sending a letter of intent to the IMF. [end recording]

With a letter of intent with the IMF in its hands, the Brazilian Government will begin bank-to-bank negotiations and will be able to define how much the country can pay its creditors in the coming months. According to Minister Cardoso de Mello, all foreign debt negotiations will be completed.

Government, IMP Reach Agreement

PY0909033490 Rio de Janeiro O GLOBO in Portuguese 8 Sep 90 p 1

[Text] After unprecedentedly swift negotiations, yesterday in Washington, Brazil and the IMF reached an agreement that will release a $2-billion loan in six installments starting in October. Central Bank President Ibrahim Eris and Jorio Dauster, Brazil's official debt negotiator, returned to Brazil yesterday to conclude the letter of intent that will be sent to the IMF next week.

The agreement, that was considred extremely favorable for Brazil by economists like Carlos Geraldo Langoni, was signed without any conditions related to the payment of overdue interest on the foreign debt owed to commercial banks. Economy Minister Zelia Cardoso de Mello kept control of the entire negotiation by telephone. According to Zelia, the agreement with the IMF is an important step toward the normalization of relations between Brazil and the international financial community and toward the success of the economic stabilization plan.

Mendes Junior Breaks Contract with Iraq

PY0809223890 Sao Paulo FOLHA DE SAO PAULO in Portuguese 5 Sep 90 p A15

[Excerpt] Yesterday in Belo Horizonte the Mendes Junior company announced that it has suspended all contracts and handed over the projects under way in Iraq to local enterprises. The company has already informed the Iraqi ministries with which it signed the contracts about this decision.

The Mendes Junior company disclosed that 216 of its employees are still at the Expressway camp (180 km east of Baghdad), awaiting exit visas.

In Brasilia Itamaraty considers that the three Brazilian companies working in Iraq—Mendes Junior, Maxion, and Volkswagen—have broken their contracts. There are still 14 Maxion employees and 18 Volkswagen employees in Iraq. [passage omitted]

Colombia

Gaviria Meets With Salvadoran Ministers

PA0809173690 San Salvador Canal Doce Television in Spanish 0300 GMT 8 Sep 90

[Text] Foreign Minister Manuel Pacas Castro met today in Bogota with Colombian President Cesar Gaviria to inform him about the peace process that the Salvadoran Government is conducting with the FMLN [Farabundo Marti National Liberation Front].

Foreign Minister Pacas Castro is on an official visit to Colombia, together with Justice Minister Oscar Santamaria and Deputy Defense Minister Juan Orlando Zepeda.

Pacas Castro expressed optimism regarding the peace process currently under way between the government and the FMLN and said that he hopes it will yield positive results. He also praised the ongoing process with the Colombian guerrilla groups.

During the meeting, Foreign Minister Pacas Castro invited President Gaviria to visit our country soon.

Gaviria Gives News Conference on Drug Decree

PA0609045090 Bogota Radio Cadena Nacional in Spanish 0136 GMT 6 Sep 90

[News conference by President Cesar Gaviria Trujillo with an unidentified moderator and local and foreign reporters at the Narino Palace in Bogota—live]

[Text] [Gaviria] Colombians: In recent months, we Colombians have waged the biggest and most difficult war any country in contemporary history has ever waged against the world's most powerful criminal organizations, and we have won.

We have done it at the painful cost of thousands of lives, including presidential candidates, political and social leaders, government officials, judges, soldiers, policemen, Administrative Department of Security [DAS] agents, journalists, women, children, and elderly people. The economic and social costs have been very high also, but we have done it firmly convinced that this is a responsibility we have with ourselves and with humankind.

The achievements that have been reached cannot be denied. We have not only hit those organizations at their highest levels, we have also severely reduced the shipment of cocaine processed in Colombia to the consumers' market.

Some U.S. authorities have acknowledged the fact that during the past year the flow of cocaine to the United States was significantly reduced as a result of the actions carried out against these groups.

The results serve as encouragement to go on and to use the experience we have acquired to design new and more effective mechanisms to repress this crime and to control its sequels. In order to quickly secure our objective to defeat and put an end to terrorism and to firmly continue struggling against drug trafficking, we have established norms aimed at giving our judicial system some tools similar to those that have demonstrated their efficiency in countries such as Italy and the United States.

The Council of Ministers today issued a legislative decree whereby it facilitates and expedites the obtainment of information and the dismantling of criminal drug-trafficking organizations, such as those commonly known as paramilitary groups, and the self-styled self-defense groups.

Thanks to these instruments, special and public order judgeships established by previous administrations will be able to grant lenient sentences, within specific limits, and suspended sentences to those who surrender, confess their crimes, give up their weapons and the goods linked to their crimes, and cooperate in the investigations.

Concurrent with the introduction of these new instruments, we will continue to use those instruments that have proven in the past to be efficient in this struggle.

This is how, based on the discretionary nature that the current extradition system must have, and after having carefully analyzed cases on an individual basis, the government today decided to extradite three Colombian citizens whose extradition had been requested by U.S. courts.

The Colombian Government also decided to reject three other extradition requests from the U.S. authorities.

Finally, for humanitarian reasons, the government decided to postpone the extradition of a citizen who is in a Bogota hospital suffering from a grave illness.

The above dispositions may be reviewed in the future, once decisions adopted by the government, Congress, and the Constituent Assembly have further strengthened our judicial apparatus, and as the public order situation demands.

On several occasions I have said that extradition must not be the sole or the most important tool in this struggle. For this reason, we have developed the new judicial mechanisms I have just announced—mechanisms that imply the implementation of a special procedure to support investigations and processes by the judicial branch. This is a procedure that will permit the strengthening of the administration of justice and allow the authorities to apply the law to those who have gone outside the law.

Whoever has committed a crime, but has repented and voluntarily decides to go to a court to freely and spontaneously confess his crimes, will be tried by our justices through our laws, as long as the confession helps produce a guilty verdict. Whoever decides to submit himself to the law must go to any criminal court judge or to a judge who tries both civil and criminal cases and confess his crimes, identify the belongings used to commit the crimes and the assets that either directly or indirectly were secured through crime, deliver any weapons, and cooperate with the judicial authorities by providing information about other crimes and other criminals. This will allow the person to secure a reduced sentence because of his disposition to surrender to the law and to cooperate with the investigations. If a person who goes to any of these judges to confess a crime is in possession of arms that can be used only by the Armed Forces, or of explosives and war materiel banned by the law, that person must deliver this materiel to the judge.

If the only crime committed by a person who presents himself to a judge is that of illegal possession of arms, or if that person belongs to an armed group that could have been organized to commit crimes, as some members of organizations called self-defense organizations claim, and that person delivers those arms, that person will be given a suspended sentence if the person has not committed any other crime.

Should he have committed other crimes contemplated in the drug statute or the antiterrorist statute, his appearance before a judge and his confession will result in his sentence being cut by a third. If he cooperates in identifying the other perpetrators of or participants in the confessed crimes and the value of the property reported to the judges, the sentence could be cut by half. Should the confessed crimes include some crimes committed abroad, the judge, as the Criminal Code stipulates, and in the framework of a broad international cooperation policy to combat this type of crime, will collect the pertinent evidence to ensure that the prosecuted person is tried for all of the crimes and violations and that these actions do not go unpunished. If the defendant confesses only some of the crimes perpetrated by him, or confesses crimes not covered by the decree issued today, separate investigations will be conducted in accordance with the law governing such investigations. In these cases, the decree will only apply to the crimes confessed and covered by this decree.

I want to point out that these procedures will only apply to those who appear before the magistrates of their own free will, confess their crimes, and cooperate with the authorities. The whole weight of our judicial system will fall on those who fail to do so, and the maximum penalties and the extant laws on extradition will be enforced. Finally, the government hereby reaffirms its determination to not talk with any of these organizations.

These decisions have been made freely, in sovereignty, and unilaterally, in the conviction that these decisions will more effectively help combat crime, strengthen the administration of justice, and reinforce peace. The struggle to defend our democracy, values, and liberties will continue. We again wish to demand from the international community an effective solidarity, which goes farther than words and messages of encouragement. The developed countries must be aware that no success in this battle will last if it is not accompanied by effective results in the form of a substantial reduction of supply and demand of drugs and stricter control over money laundering, arms trafficking, the sale of chemical substances to process drugs, and drug distribution networks. The government and all of us Colombians keep waiting for the developed countries to find a way to assist us. Colombia aspires to nothing other than free trade for its export products. This treatment is just and fair, considering the great sacrifices that our country has had to make in this struggle.

I am fully convinced that these measures, similar to those applied successfully in other countries, will enable our judicial system to face more effectively the great challenges that violence poses. For this, authorities require the people's cooperation and support. I know I can rely on the cooperation of all Colombians. If we advance toward a deep transformation of our institutions to make them broader in scope and more democratic, and if we participate actively and decidedly in the construction of a better future for us and our children, we will reach our objective of turning Colombia into a peaceful, prosperous, and just homeland we all deserve. Thank you, and good night.

[Radio announcer] Well, these have been the president's important announcements here at Narino House. Just as RCN [Radio Cadena Nacional] anticipated, a legislative decree has been issued. It allows drug traffickers or paramilitary members who surrender and confess to be given privileged treament. Also, as the president has stated, the decree includes the extraditables who turn themselves in to Colombian justice. The president is now beginning to answer questions on the subject. The president has said that extradition is to continue, but let us go to the ongoing news conference.

[Reporter, in progress] ...to Colombian officials will not be extradited and will be tried in Colombia?

[Gaviria] Of course, for the decree to be implemented correctly, a person has to confess all the crimes he has committed in Colombia. The decree will undoubtedly impede a person's extradition and will guarantee that he will be tried for all crimes committed in Colombia if the person confesses to all his crimes.

[Reporter] [Words indistinct] today the United States made favorable statements supporting any new extradition measure taken by the Colombian Government. Does this mean that the Colombian Government's measures today were previously discussed with the U.S. Government?

[Gaviria] These measures were not discussed with the U.S. Government. However, we applaud the statements made by the drug czar, Mr. Bennett, today. He said that any decision made by the Colombian Government on the matter will be respected.

[Reporter] Thank you [words indistinct].

[Moderator] Patricia Contreras from Comprensa is to pose her question now, and will be followed by Javier Contreras from Radio [word indistinct].

[Contreras] Good evening, Mr. President. The measures that were adopted today are of great importance at the national level. However, what guarantees will judges have that, despite the fact that people might want to confess voluntarily, they will not be killed later on?

[Gaviria] I want to start by saying that the government will immediately start taking measures to strengthen our legal system. State of emergency decrees will merge

special and public order courts. We will present a bill to Congress in which a significant step will be taken toward a more lenient accusatory policy. Also, many measures to strengthen our legal system further and protect our judges will be promoted at the Constituent Assembly in the future. I want to stress that we believe that a situation that allows a criminal to appear before a judge and freely and spontaneously confess to his crimes will not bring more pressure on our legal system. Quite the contrary, such a situation should put constraints on the degree of intimidation currently received by our judges. We do not believe these measures will promote further intimidation to be exerted. On the contrary, we believe that permitting persons who voluntarily confess to their crimes to be tried will rather ease the action of justice.

[Moderator] Miguel Tecnahui of Noticiero Tevehoy to prepare his question.

[Contreras] Good evening, Mr. President. Are the peace talks in Cordoba and other regions between self-defense groups, local residents, and cattlemen completely suspended as the result of your statement tonight saying that if criminals surrender they will be tried and their sentences reduced?

[Gaviria] This is a general procedure, which has nothing to do with regional talks. This is the relationship with the self-defense groups. All persons who claim to belong to these groups and are found guilty of crimes, such as the illegal possession of firearms or belonging to an armed group that could eventually establish an association for committing a crime as stipulated in the Antiterrorist Statute, can be set free after appearing before a competent authority. The person, however, will be subjected to a suspended sentence, the permanence of which will depend to a great extent on his behavior. This is why I wish to point out that every person found guilty of a crime will be sentenced. In the case of the self-defense members, this sentence will be suspended. If the person has committed one of the crimes included in the drug or antiterrorist laws, which goes farther than the association for committing a crime, belonging to an armed group, or illegally possessing a firearm, the judge must deprive this person of his freedom and sanction him in accordance with the proper administration of justice, naturally with the sentence reductions provided in the decree.

[Moderator] Miguel Tecnahui of Noticiero Tevehoy to ask his question, and Alvaro Fajardo of REUTER to prepare his.

[Tecnahui] Good evening, Mr. President. Will this new legislation against drug trafficking be perhaps complemented with some economic measures?

[Gaviria] The decree, as you will see, clearly establishes economic sanctions. The goods connected with the crime and confessed to by the person, those in his name or in the name of third persons, or those that the judge establishes and connects with the crime by other means, will be turned over to this national council, as the drug statute stipulates. The decree is strict in this and stipulates economic sanctions, which in this case will be much more effective because this confession, free and spontaneous, will constitute full evidence and serve as the basis for a condemning sentence, and none of the problems that many of the goods under the authority of the National Drug Council are now experiencing will occur.

[Moderator] Fajardo of REUTER to ask his question. Vicente Silva of Noticiero Nacional to prepare his.

[Fajardo] [Words indistinct]. This is my first question. Are there traditional laws and guarantees for those persons who voluntarily turn themselves in, although their testimony before a judge serves to accuse others? Instead of reducing their sentences, they in fact have become informers. My second question is this. There are still a few days to go before you complete your first month of government. You said in your speech tonight that, for the antidrug struggle, the country requires more than mere words from the developed countries. Have you seen some indication of a change in this sense during your month of government?

[Gaviria] Regarding your second question, I wish to point out that we are getting international assistance in the antidrug struggle. Nevertheless, we are not receiving any general assistance whereby all countries involved have shared the cost of this struggle.

President Bush recently demanded international solidarity to share the cost of a UN decision made in the wake of Iraq's invasion of Kuwait. We demand the same thing. An effort to fight drug trafficking is not enough, but we must also have genuine international cooperation, because this should be an international struggle. Colombia has paid an enormous economic cost and an enormous social cost. We are demanding that the international community improve the distribution of the cost of this struggle. We have received specific assistance from friendly countries, but this country expects more cooperation than simply commercial aid, as I have already mentioned. We expect greater access of our export products to the markets of consuming countries. Excuse me, your first question?

[Fajardo] [Question indistinct]?

[Gaviria] Oh yes. The measures...[changes thought] of course, decrees other than the one issued today by the Council of Ministers contain a large number of provisions on what the authorities may do to protect witnesses or people collaborating with the authorities. Those provisions are obviously still valid.

[Moderator] Vicente Silva of the "National" newscast. Jairo Tarazona of RCN will be next.

[Silva] Dr. Gaviria, you just announced the government's decision to extradite three more Colombians to the United States. Does the government not fear that this decision could revive the war of the cartels or at least of the Medellin Cartel, which has declared a unilateral

truce. Do you not fear that the drug cartels will awaken again and continue the narcoterrorism that we have feared so much?

[Gaviria] There is no doubt that that could happen. I promised—during my campaign and in my inaugural speech after being elected president—that extradiction would not be our sole mechanism to fight against drug trafficking. It would not be the only mechanism and perhaps not even our main one.

We are now offering a legal way out for Colombians who wish to subject themselves to our justice system. That is the policy that we have offered to the Colombian people. It is the policy for which the Colombian people voted. This is the mandate that I received from the Colombian people. Of course, I cannot stray away from that mandate or that policy.

Should terrorist actions resume for some reason, the government would make the most appropriate decisions—even those that might eventually imply reversing some of the decisions that we have already made.

[Moderator] This is a news conference with President Cesar Gaviria. Jairo Tarazona of RCN will ask the next question.

[Tarazona] Mr. President, although you said that extradition is certainly not the sole mechanism to fight drug trafficking, I wish to talk about a specific case that not only amazes Colombia, but also the world. I mean the case of Pablo Escobar Gaviria.

Keeping in mind that a number of charges have been leveled against him—it is said that he is the chief of one of the largest drug cartels—should Mr. Pablo Escobar take advantage of this decree that you announced, would he be tried in Colombia or will he still have to face international proceedings and U.S. extradition requests? Would he stay in Colombia?

[Gaviria] Obviously, these decrees mention no names. However, I have no qualms about commenting on the hypothetical situation that you mentioned. Any criminal who confesses all the crimes that he has committed in Colombia or abroad may face Colombian authorities for all the crimes committed in Colombia and abroad.

I wish to point out that we can only guarantee that he will only be subjected to Colombian justice by confessing to all his crimes. This would ensure that he will be tried by Colombian judges.

[Moderator] Ana Arana of THE MIAMI HERALD. Ricardo Canon of "Noticiero del Mediodia" newscast will be next.

[Arana] Mr. President, I might be repeating a question that someone else might have already asked. Specifically, what is the offer or the proposal that the government is making to people such as Escobar, the Ochoas, and other major drug barons?

[Gaviria] This is not a proposal; this is a policy to strengthen our justice system. We are applying a number of principles that are already part of Colombian legislation, U.S. legislation, Italian legislation, and the legislation of a large group of countries that have established mechanisms to fight crime. We are offering a reduction of sentences in exchange for collaborating with the authorities, for denunciations, and for any information that will help us dismantle criminal organizations.

This does not in any way involve a proposal. This is a decision by the Colombian Government to strengthen its judicial apparatus and its justice system.

[Moderator] The next question is from Ricardo (?Canon) of Noticiero del Mediodia. Roberto Vargas of the Melodia Network is preparing the following question.

[?Canon] Good evening, Mr. President. Do the regulations in this legislative decree establish a deadline or limit for outlaws to present themselves? Will you establish a deadline, or will they have an indefinite amount of time?

[Gaviria] First, the decree only considers crimes perpetrated up to the moment when this decree goes into effect. Therefore, it does not contemplate future situations. This is the first thing. Secondly, we have not established a deadline except for the presentation of individuals who may be linked to self- defense groups who, of course, will be granted a prudent amount of time to present themselves to the authorities. We hope that this mechanism will be efficient and that it will encourage many people who are currently involved in criminal activities to cooperate with the authorities and help us carry out justice.

[Moderator] Roberto Vargas of the Melodia Network will ask the next question as Douglas Farrah of THE WASHINGTON POST prepares.

[Vargas] Good evening, Mr. President. Perhaps this is something that was already said, but I must insist on asking this question. Ever since you took office, which will be one month within two days, some media sources and the general public have made suspicious remarks concerning the possibility that the government has negotiated with the drug-trafficking groups or the extraditables. These suspicions have been caused by the climate of tranquility and peace that has prevailed in Colombia, as we have all witnessed. Has a negotiation taken place or is there a possibility of negotiating with the drug traffickers or extraditables?

[Gaviria] Not at all. I have maintained and unwaveringly implemented the policy of not accepting any form of dialogue whatsoever with these types of criminal or unconventional organizations. I have strictly adhered to this policy. I would go a step further: not only has there not been any dialogue, but the government has not received any message, signal, request, or petition from these criminal organizations, with the sole exception of a suggestion that was put forth as a result of the debates

and peace dialogues that have been held in certain regions. With the exception of this information, which is totally public, the government has not received any petition, request, complaint, decision, or any such thing. These are unilateral, sovereign, decisions made by the Colombian Government, and they have nothing to do with the sort of suspicions or suggestions to which you have referred.

[Moderator] The next question will be asked by Douglas Farrah of THE WASHINGTON POST as Carlos Obregon of EL TIEMPO and Marta Torres of Televisa prepare.

[Obregon] [Reception interrupted by RCN announcer's remarks] can be interpreted as an effort by the government to prove that it has won the war against drug trafficking?

[Gaviria] There is no doubt that these measures could not have been adopted in a climate of government weakness. They have been adopted at a time when the Colombian state feels that it has made significant strides in the struggle against the drug cartels. They have been adopted at a time when many of the groups that have practiced and fostered violence are convinced that this is an inappropriate and mistaken path and that this country's institutions and democracy are much stronger than any criminal activity. These measures have been adopted in a climate that could be described as having been stripped of the most serious terrorist incidents of the recent past.

Only a few days ago there were terrorist actions, but as far as I know they were not intended to intimidate the national government, the authorities, or the president and his Cabinet, who made these decisions.

[Moderator] The next question is by Marta Torres of Televisa. Pablo Rodriguez of AFP will be next.

[Torres] Mr. President, does the government fear economic reprisals from other countries in response to the measures you have just announced?

[Gaviria] I am sure that there will not be economic reprisals. I am sure that there will be understanding from all the countries. Colombia is the country that has paid the highest economic, social, and human price in the struggle against drug-trafficking. Colombia has made the most efforts and the biggest sacrifices. Reprisals or claims are very unlikely because we have waged the biggest battle, and we have the authority to use mechanisms that the judicial systems of other nations use to fight crime. This is nothing but the utilization of the records and mechanisms that the judicial systems of other countries use to fight crime.

[Rodriguez] Mr. President, two questions. You in your inaugural speech and now, through this decree, have practically deactivated something that had an influence on narcoterrorism: the extraditions. Does this mean that the country is getting rid of the narcoterrorism that whipped Colombia this past year? The international community wants to know, however, what is being done regarding drug trafficking. The second question is: Does this decree mean the beginning of the definite dismantling of extraditions?

[Gaviria] It is difficult to reach that conclusion from what you have said. If any Colombian is arrested and his extradition is requested, we will examine that request based on norms established by the government, norms about which you will be informed at the conclusion of this news conference, when the justice minister will issue a communique reporting on the criteria used by the ministers today to approve some extradition requests and reject others.

I believe this matter is clear. There is a mechanism to encourage the struggle against drug-trafficking and other crimes. This mechanism is already permitted by current laws. It includes the appearance of the criminal before a judge, a confession, and the reduction of sentences because of confessions. All this is in our criminal codes and in other laws. The present mechanism has been organized better, and it is more coherent. This is part of a policy, but it cannot be inferred that we are moving away from extraditions. We will disregard extradition only in the cases of criminals who present themselves to the authorities and confess their crimes. We would not decide on extraditions in those cases. We believe that by doing this, we are contributing to the struggle against crime and strengthening, not weakening, the struggle against drug trafficking.

[Reporter] What is going to happen to Colombians who are not wanted by Colombia's justice, but whose extradition is requested by the U.S. Government? This is my first question. My second question is: Is this offer you are making to drug traffickers and paramilitary elements admitting that the authorities are unable to capture the drug bosses and to dismantle the paramilitary groups?

[Gaviria] I will begin with your first question. I do not mind answering two questions from any journalist as long as they are not asked in a row because people who are listening could miss the answers. If a Colombian citizen shows up before a Colombian judge of the Republic and confesses a crime, regardless of whether it was committed abroad, according to the provisions of this decree, he could be tried by Colombian justice, by Colombian judges.

Of course, for this person to have protection and guarantees, he would have to confess all his crimes.

[Reporter] The second question is: Is this offer to the drug traffickers and the paramilitary groups somewhat like admitting that the state's security organizations are unable to capture drug bosses and dismantle the paramilitary groups?

[Gaviria] The achievements of the authorities—the Armed Forces, DAS, and the National Police—in their struggle against the criminal organizations are evident. I

feel that I do not have to explain this because the people know about the success of the authorities in the struggle against criminal organizations.

If we had been able to capture all the criminals, these measures would of course be unnecessary, but since we have not been in a position to do this, we are creating mechanisms that in our opinion strengthen justice and institutions, and this has been the criteria of the authorities in agreeing with the contents of this decree.

According to all the ministers and officials who attended the Council of Ministers meeting, including the national defense minister and the director of DAS, the decree's purpose is to strengthen our justice system and the duties of our investigatory organizations.

[Moderator] Adriana Larotta from Noticiero De Las Siete will ask her question, and Tom Harvey from UPI will prepare his.

[Larotta] Mr. President, it is a fact that the intimidation of the judges has kept investigations from developing. Some have been paralyzed with fear. In the hypothetical case that Pablo Escobar should seek the protection of that decree and turn himself in, how would it be possible to define which crimes—of all the crimes committed over the last year—should be attributed to him. How should these crimes be compared to those he confesses? We should say that justice is numb to the crimes that he might possibly confess.

[Gaviria] Yes, of course, any crime that a criminal does not confess will be handled through a separate process. He will not have the right to the kind of reduction covered under the decree. Since we cannot force the persons or the citizens or the criminals to confess all their crimes and since we cannot create that condition because it would be unconstitutional, all we can demand is that they confess some crimes.

What would be the consequences? If an individual has committed another kind of crime, the person will be punished through separate processes that are not subject to the reduction of sentences or the kind of benefits that could derive from this decree for collaborating with the authorities. The same would occur with crimes committed abroad and crimes that are not confessed by the delinquent; those would also follow separate processes. That is why I insist that the only way in which a person can seek the complete protection through the benefits of the decree and the way in which we can guarantee complete trial by Colombian judges is if the person completely confesses all of his crimes. [indistinct announcer interruption]

[Gaviria] The confession, which is free and spontaneous, must be complete in order to produce a condemnatory sentence. If that confession is not made in such a manner that it may produce a condemnatory sentence, the person cannot seek protection under the decree.

[Moderator] Tom Harvey from UPI will ask his question while Fernando Arellano from EL NUEVO SIGLO prepares his.

[Harvey] Mr. President, the ... [words indistinct] William Bennet made an analysis of the fight against drugs within the United States in President Bush's program. What analysis does Colombia have regarding the antidrug program of the United States?

[Gaviria] We are aware of the internal struggle we have had against crime and of the great amount of crime organizations that have been dismantled over the last few years and particularly over the last year. We are also aware of statements by U.S. authorities who recognize the substantial reduction of the flow of drugs from Colombia. Of course, it may be noticed that in the very U.S. market, there has been a substantial increase in the price of drugs and a decrease in the quality of the drug that reaches consumers. Therefore, the efficiency of Colombia's struggle against drug trafficking and against these kind of criminal organizations is not doubted. This can be verified in Colombia through the results we have obtained or it can be verified internationally. [indistinct announcer interruption]

[Gaviria] It has been our policy, at least it has been a habit of mine, to avoid passing judgment on the policies implemented by other countries or on their drug consumption policies. The only demand Colombia is making is that their policies be efficient. We must acknowledge that with the amount of resources it has employed, the United States has made a huge effort in the struggle against consumption. We must, of course, point out that it is not enough for each country to make an effort as big as the United States' or President Bush's in the struggle against consumption. Our foremost demand is for efficiency. Each country must not only do its best; the struggle must be efficient. I am not in a position to determine the extent to which drug consumption has been reduced in the United States. I would not like to express an opinion on the kind of policy applied there. I know the United States has made an effort. I am aware that President Bush is willing because I have heard him; I know he is willing to cooperate in this struggle. Of course, I think that what the international community is basically interested in is whether this struggle is efficient, whether every means is being used in this struggle, and whether this struggle—apart from extradition—is efficient against money laundering and the sale of chemical products and arms. The international community is interested in all those aspects which are essential to succeed in the struggle, not only against drug production, trafficking, and consumption but against drugs in general and against this problem which is much more complex than mere extradition.

[Moderator] Fernando Arellano of NUEVO SIGLO will now ask his question. Raul Gutierrez of 24 Horas will prepare his.

[Arellano] Mr. President, you have just said that the international community's solidarity with Colombia has not been enough. In your trip as president-elect to some European countries and the United States, however, the presidents of those countries pledged with you and the country to cooperate so that the export of our products can be handled more fairly. Have those pledges not yet been fulfilled?

[Gaviria] They have not. In the European community, there is an initiative—which was announced in the most recent meeting in Dublin—which specifically refers to Colombia. It was said that it is possible for our tropical products to receive preferential treatment and gain access to the European community market. There have been several technical discussions. The proposal is being evaluated from a technical viewpoint. We have received reports that some countries have objected to this proposal. We expect this initiative, however, to be eventually expanded to other countries and finally approved. The other commercial initiative is the Andean proposal announced by the U.S. Government in November last year. This proposal—which was again announced with some changes a few weeks ago by the U.S. Government—has not yet been taken to the U.S. Congress. We have been asked to contribute some of the factors which we think should be included in our laws. We are in the process of doing this. Among other things, during the coming weeks, a Colombian - U.S. bilateral commission will be installed, and we expect to make contributions to this commission. Eventually, we could expect a preferential treatment within this initiative so we can be given special commercial treatment. We could also expect that some aspects of the Caribbean initiative include Colombia or some of the Colombian cities or free zones.

We have been very flexible on this matter. We could receive assistance from the international community in the form of bonds. This could help us face what the previous administration estimated as the cost in the antidrug struggle last year, approximately $1 billion. Of course, what we have demanded from the international community is that it seek mechanisms to assist Colombia. The cooperation that our Armed Forces, the DAS, and the National Police might get is not enough for us. We think that the aid that these organizations have received does not compensate for our huge economic and social cost. We think that the cost is poorly distributed.

[Moderator] Raul Gutierrez of the "24 Horas" newscast. Jesus Garzon of "Cinevision" newscast will be next.

[Gutierrez] Mr. President, if citizen A denounces or reports on the criminal activities of citizen B, who will gather the evidence? How would he do so? Will we adopt the measures used by the United States of setting up people and using undercover policemen or hidden cameras?

[Gaviria] I would first like to point out that a confession cannot stand as proof by itself except for those who freely and spontaneously confess a crime. It cannot stand as proof by itself when it refers to third parties. A confession would simply be a lead or an accusation. The judicial system is called to conduct an investigation and determine whether that lead or accusation is valid. A confession could in no way stand as evidence by itself.

The elements that Colombia is using to modernize its judicial system are clearly established in our norms, criminal code, or state of siege decrees. For example, we will maintain rewards. We will also continue to reduce the sentences—even those not mentioned among this decree's provisions—of those who cooperate with the judges and authorities. They cannot be implicit. Our legislation does not allow the use of implicit mechanisms, or mechanisms just because they are used in other countries.

The elements that the current government believes must be expressly incorporated into our norms are among the topics that will be discussed in the debate on the constitutional amendments. Among the norms scheduled to be permanently incorporated into our legislation are the multiple-purpose [plural] judges, rewards, reduction of sentences, along with a host of norms that today are being enforced through state of siege decrees. We believe that they, at least in our anti-crime struggle, must be part of a permanent Colombian effort to modernize the judicial system.

[Moderator] Jesus Garzon of the "Cinevision" newscast. Juan Carlos Martinez of the Toledar network will be next.

[Garzon] Mr. President, of the 17 detainees held at the Directorate of Judicial Police and Investigations, Dijin, you just said that three will be extradited to the United States. What will be the fate of the other 14 Colombian detainees? In other words, will they be benefited by this legislative decree that you just announced if they confess their crimes, although they are already in detention?

I am not sure that there are exactly 17, because others were recently captured, but I can tell you that we have defined the situation of seven of those in detention. We have decided to extradite three of them, the extradition of one of them was delayed for humanitarian reasons, and the extradition of three of them was denied.

The government plans to settle the legal situation of all those who are detained. As all reporters here know, this decree is only aimed at people who voluntarily show up before justice and a judge, and not at people captured by the authorities. Those who are captured by the authorities are not eligible to enjoy any benefits. Of course, if they are wanted for extradition by other countries, such requests will be examined in keeping with the criteria adopted by the national government, which you will be able to learn more about later as you get to study the communique issued by the justice minister.

[Moderator] Juan Carlos Martinez of the Toledar network. Manuel Gonsalve of EL ESPECTADOR will be next.

[Martinez] Good evening, Mr. President. I have two questions. As for the norms that you just revealed to the country, what will become of the Cartagena document signed on 15 August by four presidents? [sentence indistinct]

[Gaviria] No, this is part of the commitments that we acquired at the Cartagena meeting. This is part of how we conceive our struggle against drug trafficking. As I said, we conceived these mechanisms to strengthen our judicial system, to continue our frontal struggle against drug trafficking. This in no way implies reneging on commitments that our country has acquired abroad.

We are fulfilling all our international commitments. None of the regulations contained in this decree violate any international commitments that Colombia has made. We would not understand it if someone was to tell us that we are weakening the struggle against drug trafficking. However, we are sure that this will not happen. We believe that these measures are aimed at strengthening the struggle against drug trafficking and our justice. It cannot be said that if one person freely and voluntarily appears before a Colombian judge and can be tried by him, this means that it is an act that is weakening Colombian justice or our struggle against drug trafficking. Such a theory cannot be accepted. We believe that all these are instruments aimed at strengthening our struggle against drug trafficking, not at weakening it.

[Martinez] I am certain, Mr. President, that this decree will be very well accepted by a good share of Colombians, especially by those to whom the decree is addressed. However, what do you tell those who are victims of car-bombs and narcoterrorism? What do you tell those who have lost relatives? What do you tell those who, in the wake of terrorist attacks in Medellin, Bogota, Cali, and other cities, are still suffering the consequences of the violence Colombia has experienced in the past?

[Gaviria] Interpreting the feelings of Colombians, I am sure that what Colombians want, because of violent acts, is no more violence. What Colombians want is for crimes to be punished. They want those guilty of crimes to go to jail. These measures are aimed at so that those who committed crimes will appear before the courts, be convicted, and punished. I think this is what the victims of violence feel. What hurts them is impunity. They feel hurt to see that those who committed crimes are free. Therefore, I think that they will be pleased to see that those who committed crimes will finally wind up in jail.

[Moderator] Manuel Gonsalve of EL ESPECTADOR will ask a question now and Patricia Uribe of Colmundo is next.

[Montalve] It seems to me that this decree does not include those who engage in the emerald business. What treatment will they receive?

[Gaviria] Well, those who simply engage in the emerald business cannot be included in it. However, since such activity is accompanied by some criminal behavior mentioned in the drug law and the antiterrorist statute, they can seek the protection of this decree if their crimes are included in it. If they have committed crimes stipulated in the statute, they can seek a reduction of sentence and certain benefits if they cooperate with justice. However, I cannot say that the decree includes those who do business with emeralds. It is for those who engage in those activities but who have committed crimes mentioned in the laws that are under the public order jurisdiction, or that of specialized judge, or that have committed crimes that violate Narcotics Law No. 30.

[Moderator] Patricia Uribe of Colmundo will ask a question now, and Jesus Ortiz of LA PRENSA will be next.

[Uribe] There is talk that those linked to drug trafficking and narcoterrorism who do not surrender to justice will get a maximum sentence. Is there a possibility that such a sentence can be more than 30 years? Which is the system being applied here in Colombia?

[Gaviria] Well, yes, of course. It is not a matter of law. It is not even a constitutional matter. Sentences have been increased at this time for all these crimes. They were increased through an emergency law. This increase in sentences is still in effect and has not been changed. The government does not feel that it should change the length of sentences. Of course, in the face of future hypotheses we can consider the possibility of changing these sentences.

[Moderator] Jesus Ortiz of LA PRENSA is to ask his question now. Orlando Guerrero of Radio Cadena Nacional's "Sunday to Sunday" Program is next.

[Ortiz] Mr. President, if a guerrilla who is a member of a group not involved in peace talks with the government decides to seek the protection of these measures, can he do that?

[Gaviria] If their crimes include rebellion, rioting, or the sort of crimes that are also perpetrated by guerrillas, they are not considered in this decree and are not part of the antiterrorist law or the law for the defense of democracy. If a guerrilla has been involved in homicides or drug trafficking and he wishes to avail himself of this mechanism, he can do so. However, the decree was not intended for armed groups. They are covered under a different law and are handled in a different manner. Our Constitution has established mechanisms to deal with them, such as through amnesty, pardon, stay of procedures, and others. However, if for any reason a guerrilla has been involved in the criminal activities characterized in this decree, he can avail himself of this decree. This does not apply, however, to such crimes as rebellion, riot, or other actions that go against our constitutional order.

[Moderator] The final question goes to Orlando Guerrero of [words indistinct].

[Guerrero] Mr. President, how will the national government establish the difference between the guerrillas and non-guerrillas when the FARC [Revolutionary Armed

Forces of Colombia] and the ELN [Army of National Liberation] have often been accused of being narcoterrorists? How can you establish the difference between a peace dialogue and your decision to shelter them with this new law?

[Gaviria] First, judges do not act based on the statements made by government officials. They act objectively, and I am sure that no judge in the country will act according to the statements of a government official. I have never said this and if, at any given time in a peace process, there is evidence that there are other criminal activities that must be dealt with, this must be done through a peace process or any means of controlling the situation.

It is clear that this decree is not meant for the armed or rebellious groups referred to in the Constitution. It is directed at the self-defense groups and the self-styled paramilitary groups. It is not directed at typical political rebellion, on which our Constitution is extremely clear. Colombia has an extensive historic, political, and judicial traditions concerning the handling of these rebellions.

Self-Defense Groups React to Gaviria's Measures

PA0809040290 Bogota Inravision Television Cadena 2 in Spanish 0000 GMT 8 Sep 90

[Text] In a document, which will be revealed tomorrow and which replies to the most recent measures announced by the Gaviria administration, the self-defense groups have stated that they will not surrender because their status as a political-military resistance group is not recognized. However, they do recognize the government's willingness to attain peace and the benign treatment granted them as compared to the treatment of drug traffickers and paramilitaries. In statements for our seven o'clock newscast, self-defense spokesman Ivan Roberto Duque Gaviria made the following statement:

[Begin Duque recording] The High Command of the peasant self-defense groups flatly rejects the treatment afforded them as common criminals. That document once and for all clarifies that the aim of the self-defense groups is to attain peace in Colombia, but they also demand for themselves the same treatment that is being given to the EPL [Popular Liberation Army] and other groups, whose military operations are based on very specific political-ideological principles. [end recording]

The self-defense groups' spokesman underscored that the only way to achieve the demobilization and disarmament of those groups is through direct dialogue. In view of the possibility that the government might battle with them after the 180-day deadline set by the decree to lay down arms, Duque added:

[Begin Duque recording] Self-defense groups will insist before the national government on the need for a negotiated solution through direct dialogue. [end recording]

Finally, Duque revealed that the success of operations launched by the authorities against narcoterrorism in Middle Magdalena stems from the information provided by self-defense groups, which have supplied leads on the whereabouts of Pablo Escobar Gaviria.

Quintin Lame Guerrillas Not To Demobilize

PA0909004090 Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 5 Sep 90

[Text] Gildardo Fernandez, commander of the Quintin Lame guerrilla group, has said that his group will not demobilize until political opportunities are provided for Indians in the Constituent Assembly. Reporter Zoraya Caicedo recently interviewed the rebel commander in a jungle region of Cauca Department:

[Begin recording] [Caicedo] Quintin Lame will only demobilize if there is a real development plan for the Cauca Department communities. This pro-Indian guerrilla group had begun a dialogue with the government to begin a disarmament process. With the release of an official of the town of Caldono two months, Quintin Lame becomes, along with the PRT [Revolutionary Workers Party] and the EPL [Popular Liberation Army], one of the new groups involved in a peace process. Quintin Lame and former presidential peace adviser Rafael Pardo Ruedas had agreed on several points, such as a cease-fire with the military forces, which has so far remained in force. Other topics still pending on the agenda of discussions are the disbanding of paramilitary groups—15 of which are located in Cauca—agrarian reform that recognizes land ownership in Indian settlements, and participation in the Constituent Assembly. However, according to Quintin Lame leader Gildardo Fernandez, the Indians have not been taken into account in the Constituent Assembly.

[Fernandez] We have said that we will not participate because the various ethnic groups that exist in the country have not been recognized. That is why we will not participate in the Constituent Assembly.

[Caicedo] Quintin Lame will continue to be part of the National Guerrilla Coordinating Board, which will soon hold its sixth summit. The summit will address the issue of the Constituent Assembly. [end recording]

Ecuador

Comptroller General Resigns for Health Reasons

PA0809184390 Paris AFP in Spanish 0450 GMT 4 Sep 90

[Text] Quito, 3 Sep (AFP)—Efren Cocios, deputy of the ruling social democratic Democratic Leftist Party, reported today that National Comptroller General German Carrion has presented his resignation to the National Congress. Cocios stated that Carrion suffers from health problems that do not allow him to carry out his obligations.

Cocios presented documents to the Congress that included Carrion's medical certificate. The certificate reveals that Carrion has a hematoma, and it includes his medical treatment and instructions to maintain physical and intellectual rest during the next 10 weeks.

Once Congress accepts Carrion's resignation, President Rodrigo Borja must send a list of candidates for this position. Congress must elect, by a majority vote, one of these candidates to be comptroller general.

Carrion has been under medical treatment since 6 July.

Radio Sucre Closure Called 'Unconstitutional'

PA0909013790 Paris AFP in Spanish 2132 GMT 7 Sep 90

[Text] Quito, 7 Sep (AFP)—The Ecuadoran Parliament Secretariat reported on 7 September that Congress had condemned President Rodrigo Borja's decision to take off the air the Radio Sucre broadcasting chain belonging to opposition Deputy Vicente Arroba Ditto. Congress labeled this decision "unconstitutional and illegal."

The congressional resolution was adopted on 6 September with 31 of the 48 deputies present in favor, while the same number "demanded" immediate reopening of the aforementioned radio station.

On the evening of 4 September, Radio Sucre was off the air. Thus the president fulfilled his promise to take the station off the air if Radio Sucre did not present evidence of alleged arms negotiations made by Arroba himself, who had stated: "The people are saying that a brother of the president is involved."

On 30 August, Borja announced on a radio and television network that he was giving Radio Sucre five days to prove its accusations. The president said if evidence was found: "I will present my resignation (as president of the Republic) to the Ecuadoran people."

Efforts on the part of broadcasting organizations could not make the president change his mind, while official spokesmen have insisted on the legality of the measure adopted, which is "irreversible."

Foreign Ministry on Refugee Situation in Panama

PA1009003390 Madrid EFE in Spanish 2248 GMT 8 Sep 90

[Text] Quito, 8 Sep (EFE)—A high-ranking Ecuadoran Foreign Ministry official said on 8 September that the Ecuadoran Government was not officially notified of the Panamanian Government's denying a safe-conduct for Former Panamanian Interior Minister Rodolfo Chiari, who is a refugee at the Ecuadoran Embassy in Panama.

Deputy Foreign Relations Secretary Mario Aleman told the Ecuadoran press that the Ecuadoran Government is studying Chiari's legal situation. Aleman also said that they cannot make any statements on the case because the Panamanian Government has not officially notified them of the denial.

Chiari is accused of having ordered the closure of several media outlets during the administration of deposed General Manuel Antonio Noriega. Chiari entered the Ecuadoran Embassy after the U.S. invasion of Panama last December and the Ecuadoran Foreign Ministry granted him diplomatic asylum in May of this year.

Aleman said that Ecuador respects the right to asylum and noted that international agreements signed by both countries force them to grant the respective safe-conducts.

Two days ago, Panamanian Foreign Minister Julio Linares said that the Ecuadoran Government's insistence on requesting a safe-conduct for Chiari could hinder diplomatic relations between the two countries. Quito's government has not commented on that statement.

Obviously, relations between Panama and Ecuador could be affected, and both countries would regret it, said Linares. The Panamanian foreign minister also explained that the Panamanian Government will not grant a safe-conduct to the former minister as long as he is wanted by Panamanian justice.

Paraguay

Congress Approves Cooperation With Spain

PY0509151590 Asuncion ABC COLOR in Spanish 5 Sep 90 p 3

[Summary] The Congress yesterday approved the Basic General Agreement for Scientific, Technical, and Cultural Cooperation that was signed by the Paraguayan and Spanish Governments on 7 February 1990.

Frebrerista Revolutionary Party Deputy Ricardo Lugo explained that the agreement allows for the exchange of experts and advisers. He added: "The agreement also envisions the establishment of a mixed organization made up of representatives of contracting parties who will analyze the development of projects to be implemented."

Spanish Criminal Faces Extradition to Spain

PY0509171890 Asuncion ABC COLOR in Spanish 4 Sep 90 p 26

[Excerpt] Emilio Hellin Moro will be extradited to Spain to serve a 42-year prison term for killing an 18-year-old woman. This has become clear after a Supreme Court ruling handed down yesterday rejected a petition of unconstitutionality filed for the Spaniard. The convict will probably be sent to his country of origin on 7 September after the necessary proceedings are completed.

Discussing Hellin's argument that he is wanted for political reasons, the Supreme Court ruling states that it

has been clearly established that the motive that might have induced the wanted person to perpetrate the crime is not a type that could have political connotations.

The Supreme Court states that an extradition request does not represent a criminal trial, "as it does not study the basic facts nor involve any decision on the guilt of the wanted person."

The Supreme Court ruling states that the decisions from the first trial of this case and the first appeal, ordering Hellin's extradition, indicate that "these rulings simply and plainly limited themselves to enforcing the law in a case in which the guilt or innocence of the persons wanted is not judged; they were limited to the documents on which the petition was based." [passage omitted]

Communist Party Begins Process of Legal Status

PY1009001290 Asuncion ABC COLOR in Spanish 7 Sep 90 p 4

[Text] Ananias Maidana, secretary general of the Paraguayan Communist Party (PCP), headed a delegation that handed the chief of the Central Electoral Board [Junta Electoral Central—JEC] a document containing a draft of the declaration of the PCP principles. Maidana has asserted: "Taking the preliminary steps for the registration of the PCP as a legal party is a very important achievement for our party. If we succeed in registering the party, we will be in a position to launch our campaign nationwide."

This is the first step taken by the PCP in its attempt to obtain legal status and be able to function officially as a political party. A delegation of Communist leaders—comprised of Maidana, Luis Casabianca, Antonio Bonzi, Ireneo Aveiro, and Bernabe Penayo—met yesterday with JEC President Jose Luis Ibarra Llano, thereby beginning the process aimed at legally registering the PCP.

During the meeting, Maidana told Ibarra Llano that the party statutes will be delivered in the next few days, thus complying with another registration requirement.

Ibarra Llano pointed out to the delegation that the PCP must wait until the Electoral Court is constituted—the appointment of the Electoral Court chairman is under way—to be in a position to obtain the official registration. He emphasized that all other requirements of the Electoral Code must be fulfilled to be registered. He said that, among other things, the PCP must appoint a legal representative, have an official address, and attach to the documents a list of at least 100 people who support the registration request.

Peru

Army Denies Involvement in Alleged Wiretapping

PY0809182490 Lima Television Peruana in Spanish 0100 GMT 8 Sep 90

[Text] The Army General Command has issued an official communique on alleged wiretaps reported by a deputy.

1. Journalist's reports on an investigation into wiretaps by the National Intelligence Service state that room 203 of a building at 981 (Nicolas de Pierola) Street reportedly belongs to the National Intelligence Service, and that tenant (Nilo Ocampo) may be an intelligence agent.

2. The Army General Command rejects the rumors that seek to involve the Army Intelligence Service in the investigation process. It also reports that this room does not belong to the Army and that it has not been rented by the institution. The command notes that citizen (Nilo Ocampo) is not a member of any Army unit.

3. The Army urges all mass media to verify their information before they release it in order not to confuse the public.

Signed by the Army Press Office in Lima on 7 September 1990.

Terrorists Kill Four in Junin, Two in Ayacucho

PY0909212690 Madrid EFE in Spanish 2110 GMT 8 Sep 90

[Text] Huancayo, Peru, 8 Sep (EFE)—Four people, including a teacher and a student, have been murdered by alleged members of the Shining Path terrorist group in two settlements in Junin (in the mountainous region of central Peru). Two others were murdered in the city of Ayacucho, in the southern Peruvian Andean region.

It was reported today in Huancayo, capital of Junin Department, 415 km southeast of Lima, that two of the victims—brothers Isidoro and Guillermo Vera Vilchez—were farmers of the Orcotuna village, and that they were shot after having been dragged from their homes.

The terrorists shot them twice in the head and left a poster on their bodies stating: "This is how informers die."

On 7 September, another group of Shining Path members invaded the "19 April" secondary school in Chupaca, Junin Department, and shot to death William Orellana, who was the military instructor, and who had been discharged from the Army [licenciado del Ejercito].

Student Edgar Bonilla, 18, who tried to defend the teacher, was also murdered. Two other students were injured while trying to stop the terrorists, who were led by a woman and had their faces covered with scarves.

In the city of Ayacucho, alleged members of the Shining Path Group dragged Edgar Mendonza Torres from his home early this morning and killed him with two bullets in the head.

The terrorists also killed Mendonza's wife, Martha, inside their home.

Edgar Mendoza used to work for the Ayacucho Development Corporation, and he was a member of the American Popular Revolutionary Alliance (APRA), which ruled the country for the last five years.

It was also reported today that, on 7 September, bombs were hurled at the homes of an industrialist and his son in Huacho, Lima Department.

The bombs, which caused only property damage, were hurled from a passing vehicle. Many pamphlets of the Tupac Amaru Revolutionary Movement (MRTA) were found at the scene of the attack.

On the same day, MRTA members seized a pickup truck full of rice and money in possession of the truck owner.

One of the terrorists was killed during the shoot-out with the police, and the other was captured.

Minister on Campaign Against Corruption

PY0809230090 Lima Television Peruana in Spanish 1100 GMT 7 Sep 90

[Text] Energy and Mines Minister Fernando Sanchez Albavera has announced that he has discovered fraud, reportedly totaling $190,000, in which Energy and Mines Ministry officials are involved.

[Begin Sanchez recording] We have initiated a moralization campaign in Petroperu [State Petroleum Agency] and in Petroperu's affiliate companies.

First, I want to inform you that we have taken criminal action against Mr. Angel Prada, general manager of Serpetro [expansion unkown], for his involvement in fraud that I will explain now.

Serpetro has entered an agreement on technical services with a concern that in Peru is called Citeco [expansion unknown].

Citeco, in turn, represents two companies—namely, Ferrostal Texas and Magnum Drilling. These companies provide technical services and spare parts to Serpetro in accordance with a contract between Serpeco and Citeco; that is, their representative in Lima. It happens that Serpetro owed these companies a total of $1.24 million by late June.

Petromar [expansion unknown] is another company affiliated with the Petroperu system. Our policy has been designed to streamline these companies for them to effectively contribute to our country's development.

Nevertheless, in Petroperu's case there are several points involving economic policy. Therefore, there is a sort of transition stage involving Petroperu's streamlining, basically concerning the strong incidence of taxes on fuel prices.

We actually want Petroperu to operate at international cost levels, to receive compensation that will cover its costs, and to also receive a margin so that it can invest in petroleum exploration and in the development of the petroleum industry. [end recording]

Japanese Visit, View Economic Cooperation

PY0809132090 Lima Television Peruana in Spanish 1100 GMT 7 Sep 90

[Text] A group of Japanese congressmen is visiting our capital to become acquainted with our country's situation. They have met with Peruvian representatives.

[Begin recording] [Japanese Deputy Gentaro Nakajima, in Japanese with passage-by-passage translation into Spanish] Well, there are three objectives. The first involves developing cultural exchanges between the two countries and reviewing prospects for cultural relations between the two countries.

The second objective involves the way in which we can cooperate with Peru economically, as happened in August when the Japanese Government decided to help Peru. Also, Japan's ruling Liberal Democratic Party recently decided to donate 120 trucks to help, or, more clearly, strengthen Peru's means of transportation to.... [changes thought] All these materials are to help the Peruvian people. This is also aimed at determining how we can continue to cooperate. This is the second objective.

The third objective, which I believe is the most important one, involves the way in which Japanese and Peruvian enterprises can cooperate among themselves, especially the small, medium-size, or microenterprises that support every country's economy. The main objective of this visit is to review methods in which they can cooperate. [end recording]

Promulgation of Ecological Code Announced

PY0809223090 Lima Television Peruana in Spanish 0100 GMT 8 Sep 90

[Text] During a news conference Minister Juan Carlos Hurtado Miller has announced the promulgation of the ecological code and referred to an alleged telephone interception denounced at congress. Hurtado Miller was accompanied by Agriculture Minister Carlos Amat y Leon and Industry Minister Guido Pennano.

[Begin Hurtado Miller recording] The code promulgated by the president of the Republic contains 22 chapters, two special provisions, two final provisions, and some temporary clauses.

This document, which is very important for the country, deals with aspects of the environmental policy as a whole, environmental planning, environmental protection, security measures, assessment and control of science and technology, education, communication media, citizenship's participation, natural heritage, biological diversities of the ecological systems, protected natural areas, cultural patrimony, mining and energy resources, population, environment, preventive measures against natural disasters, public health, public cleaning, water and sewer systems, administrative actions, and crimes and penalties related to the local environmental system.

As you can see, this is a very important law for the country. The president has ordered the creation of a multisectorial and multiparty commission that will be in charge of drafting the regulations and of implementing this law. [end recording]

Fisheries Minister Discusses Soviet Agreement

PY0609181990 Lima Television Peruana in Spanish 1100 GMT 6 Sep 90

[Interview with Fisheries Minister Vice-Admiral Raul Sanchez Sotomayor, retired, by reporter Juan Silva at the Lima Television Peruana studios in Lima—live]

[Excerpts] [Silva] Fisheries Minister Vice-Adm. Raul Sanchez is here with us. We will talk with him about the fishing agreements and about a new product that will soon be on the market, a product that will create considerable publicity, namely the 'saladita' [fish preserved in brine]. [passage omitted] What is the situation of the contracts with the Soviets, with Sovrybflot? Some people say [changes thought] ... Yesterday, Senator Luis Bedoya de Vivanco mentioned that the Soviet fleet only delivered 50 percent of its annual quota to Peru. Is this true?

[Sanchez] Representatives of the Soviet trawlers have reported that last year they did not catch all of the 400,000-ton quota specified in their contract. According to the Soviets, to the inspectors of the Epsep [Peruvian Fishing Services Enterprise] who were permanently aboard their trawlers, to a Fisheries Ministry inspector, and to an Imarpe [Ocean Institute of Peru] inspector, last year their catch totaled 150,000 tons, and this year they calculate that their catch will total 300,000 tons.

They claim that the 20 trawlers entitled to fish under the contract are not permanently fishing—that is, they claim that only 15 trawlers are actually fishing because five trawlers are normally in port for maintenance, repair work, etc.

This is what they claim, and if their catch does not total 400,000 tons, it is not possible for them to give us the percentage established in the agreement.

[Silva] Do you consider that this agreement is beneficial for the country?

[Sanchez] Well, I believe that this agreement definitely contains some points that are not advantageous for our country.

[Silva] Can these points be improved? Which points need to be improved?

[Sanchez] Of course they can be improved. This agreement is strict concerning improvements; however, everything is possible. It is a matter of talking with them.

There is a high-level commission studying and assessing those contracts, especially the contract with the Soviets, and its final report will be presented over the next few days. Only then we will be able to propose talks with the Soviets, with representatives of the trawlers, and consider ways to achieve greater benefits for our country, which is our final objective.

[Silva] Does this involve more fish for us, 20 percent more as mentioned by some ....?

[Sanchez] There are many formulas. This is my personal opinion because, I repeat, we will have the final report very soon.

I believe that the payments made by Epsep, which has signed a contract with Sovrybflot [changes thought] .... I believe that the costs incurred by Epsep could be negotiated because I consider it wrong for us to pay for authorizing a foreign fleet to fish in our waters, let them take a large percentage of the catch, and then pay for the rest, to which we are entitled in the first place.

[Silva] What payments are made? Handling costs?

[Sanchez] We pay for licenses, fishing permits, handling, wharfage, etc. There are other ....

[Silva] And this significantly increases the cost of the product.

[Sanchez] Of course, these are the expenses incurred by Epsep. It is as if the Epsep is purchasing the fish.

[Silva] What does the contract say? Do the Soviets have to deliver the fish to the port without any additional payment, or does the contract establish that they must receive all those payments you just mentioned?

[Sanchez] No. All expenses arising from the delivery of fish are incurred by the Peruvian enterprise.

[Silva] That is unfavorable.

[Sanchez] Well, in my opinion it is unfavorable.

[Silva] It does seem to be unfavorable.

[Sanchez] We believe that this situation results from the previous contract in which the percentage was lower. We must also consider that in the previous contract these costs for Epsep did not exist—that is, we must make a very clear assessment and show that these costs are too high for our country.

[Silva] Hypothetically speaking, what would happen if these talks are not successful and the Soviets no longer fish in our waters? Who will catch the fish?

[Sanchez] Well, we could make an effort ....

[Silva] Do we have a fishing fleet?

[Sanchez] We could make an effort if we specifically talk about a trawler fleet, which is used for this type of fishing, primarily jurel and mackerel. We could make this effort if we talk about a popular food as we have already been doing. We could do it, but not necessarily with trawler fleets. We could do it strictly for food purposes—that is, for direct human consumption as we have already done. We have already increased the supply of fresh fish.

A few months ago, before the fish prices were deregulated, we consumed 200 tons or 200,000 kg daily of fresh fish. The average consumption now totals 300 tons or 300,000 kg daily. This means that ....

[Silva] Will they be increased?

[Sanchez] .... that without increasing the fleet for fishing this type of resource, we have managed to increase the supply of fresh fish.

If we make an effort with our available ships, and if we soon commission one or two Flopesca [expansion unknown] units, and it is our objective to immediately commission at least two ships, I believe that we could largely cover the supply the frozen fish that we currently receive from the Soviet trawlers.

[Silva] Nothing would happen then if talks with these gentlemen are not successfully completed?

[Sanchez] Optimistically speaking, I believe nothing would happen. This is a very personal opinion, but I believe that the effort ....

[Silva] Will we try to not renew the contracts or will we try to make them more favorable for the country?

[Sanchez] Well, I believe that would be the first step; to try to make this the most favorable event for our country.

We must still await the conclusions of the aforementioned commission's report. As you know, that commission is made up of distinguished professional technicians of great prestige. I believe that they will help us make a wise decision that will benefit national interests. [passage omitted]

Uruguay

Compensation Sought for Sanctions Against Iraq

PY0509163490 Montevideo Radio Carve in Spanish 0930 GMT 5 Sep 90

[Report by Lino Torres from Government House]

[Text] Uruguay will formally ask the UN Security Council to analyze the possibility of resolving problems created in the country as a result of the economic sanctions adopted against Iraq due to the Persian Gulf crisis.

Foreign Minister Hector Gros Espiell made these remarks to Radio Carve within the past few hours following a meeting with the president of the Republic.

[Begin recording, in progress] [Gros Espiell] ...was analyzing. The president of the Republic has asked me to submit (?a formal proposal) on the matter on behalf of Uruguay which [word indistinct]. This is according to Article 50 of the UN Charter, which states that if the UN Security Council takes preventive and positive measures against a state, any other nation facing special economic problems stemming from the implementation of such measures will be entitled to consult the UN Security Council on the possibility of resolving those problems. Uruguay has fully complied and will continue to comply with its international commitments. This is a serious situation that is harmful to the country, taking into account agreements that have been signed to export 22,000 tons of beef and prospects for signing other accords. We will raise this problem with the UN Security Council immediately. [passage indistinct]

[Reporter] What measures will you propose?

[Gros Espiell] Several countries have already proposed measures. I remember now that the operations in Jordan, Bulgaria, [words indistinct].

[Reporter] Is it feasible to expect solutions to the problems, Minister?

[Gros Espiell] The proposal is submitted to a UN Security Council Committee called the Request Committee [words indistinct] Yugoslavia, Switzerland, Jordan, and Bulgaria. This Security Council Committee, which meets in Finland, is called the Sanctions Committee. No decision has been made yet, but the important thing is that Uruguay will submit proof [words indistinct], which has important significance both for [words indistinct] Uruguayan exporters. The Uruguayan Government and all its authorities agreed with the idea of adequately protecting [words indistinct] but from the international viewpoint Uruguay supports [words indistinct] any agreement [words indistinct]. [end recording]

Gros Espiell will deliver a speech at the UN General Assembly on 4 October. He reported to Carve the names of the members of the Uruguayan delegation that will attend the UN session in New York on 24 September. The delegation, which will be headed by the foreign minister, will also include Engineer Jorge Pacheco (?Areco), President [words indistinct], and Congressmen (?Ignacio Laturnada), (Jorge Martiniana), and Francisco Rodriguez Camusso.

The delegation is scheduled to travel to the United States on 23 September to attend the opening ceremony, which will be held [words indistinct].

President Luis Alberto Lacalle will travel on [words indistinct] between 29 and 30 [words indistinct] he will return to Montevideo.

On this occasion U.S. President Bush will meet with President Lacalle and Argentine President Carlos Menem to discuss the economic cooperation accord. [words indistinct]

Minister 'Satisfied' Over Police Strike

PY0509200090 Montevideo LA HORA POPULAR in Spanish 26 Aug 90 p 3

[Text] Interior Minister Juan A. Ramirez yesterday said he is "very satisfied" over the decision to suspend the announced police sector strike that had been called in demand of better salaries and working conditions.

There had been a certain amount of apprehension until 0800 yesterday regarding the announced public demonstration scheduled to be held outside the Traffic Precinct at Batlle Park, although an official communique released on 24 August guaranteed "all measures aimed at ensuring the usual level of crime prevention and repression, protection of individual rights, and other functions of the Interior Ministry."

The journalists who went to cover the events noticed several patrol cars and plainclothed policemen placed in some strategic points.

A few minutes later, President Lacalle, Minister Ramirez, a group of policemen, former Interior Ministry officials, politicians, and several military officers attended an official ceremony honoring police martyrs at the Buceo Cemetery.

Minister Ramirez later reported to the press that "there was absolute peace in the country." He emphasized that there had been no contact with the organizers of the frustrated police strike. He said: "As we stated in the communique, we had taken the necessary measures to ensure the security of the people. As a matter of fact, we only had to adopt preventive security measures because the strike was not staged." Referring to the frustrated strike, he said he was "very satisfied" to see that "what we had announced" did occur.

Minister Ramirez confirmed on 24 August that a salary increase for the sector had been included in the next five-year budget. He pointed out that he had already announced this increase before he was installed in March.

Strikes Symptomatic of 'Increasing Union Unrest'

PY0109202890 Buenos Aires DYN in Spanish 1120 GMT 31 Aug 90

[Text] Montevideo, 31 Aug (AFP)—Union sources yesterday told AFP that a series of strikes and a fire-bomb attack against a taxi are evidence of the increasing union unrest in view of the loss of purchasing power of salaries.

On Thursday, a 24-hour transportation strike demanding a 40-percent salary increase as of September left Montevideo passengers without buses or taxis and the city of Montevideo isolated by land from the interior of the country.

A Molotov cocktail destroyed a taxi before dawn on 31 August, but the taxi driver was unharmed. Police sources laid responsibility for the attack on the unions, but this was denied by the Federation of Transportation Workers (FOT).

Another strike at the internal revenue office may cause delays in the payment of salaries of public workers.

On Friday, secondary and technical school teachers and administrative education workers staged a 24-hour strike demanding better salaries.

According to spokesmen from the leftist PIT-CNT [Interunion Workers Plenum-National Convention of Workers] central union, the majority of labor conflicts and protests are caused by the workers' annoyance over low salaries in the public and private sectors.

The latest salary increase issued on 1 June totaled 15 percent despite the fact that the inflation rate for the previous four-month period surpassed 31 percent. But it took into account the estimated cost of living increase for the ensuing four months.

However, this 15-percent salary increase was absorbed in two months due to the hike in prices. This situation unleashed a wave of union protests because the unions already considered the June salary increase "insufficient."

In view of this, the PIT-CNT requested an immediate 40-percent salary increase "so that salaries may recover the same purchasing power they had in February 1990." But the government announced that it would only grant a salary increase of about 23 percent.

In addition, labor sectors issued a call to hold bilateral negotiations to achieve higher salary increases that would not be transferred to prices.

But Labor Ministry spokesmen have warned that bilateral negotiations will be suspended in those sectors affected by strikes.

International Net Reserve Figures Reported

PY0609213290 Montevideo Radio El Espectador Network in Spanish 1600 GMT 6 Sep 90

[Summary] The net international reserves of the Uruguayan Central Bank increased by $45 million in August and now stand at $951 million.

Venezuela

Central American Countries Request Oil Credit

PA1009035390 Hamburg DPA in Spanish 2256 GMT 8 Sep 90

[Text] Caracas, 8 Sep (DPA)—The Central American economy ministers have asked the Venezuelan Government for additional credit to finance their country's oil bills in view of the increase in the price of crude oil that has resulted from the Persian Gulf crisis.

The economy ministers of Guatemala, El Salvador, Honduras, Nicaragua, and Costa Rica met yesterday with President Carlos Andres Perez and told him of the effects of the price hikes on the region's economy. Also present at the meeting were the Nicaraguan and Salvadoran foreign ministers.

For the past 10 years, the five Central American countries and a group of Caribbean nations have been receiving equal shares of oil from Mexico and Venezuela within the framework of the San Jose Agreement.

In that manner, the Central American and some Caribbean countries receive a total of 130,000 barrels per day of crude oil.

The current agreement stipulates that the oil-consuming countries will pay for 80 percent of the shipments in cash while the remaining 20 percent can be paid through short- and long-term credits.

Last week in Mexico City, the Central American countries tried—apparently unsuccessfully—to broaden the credit to 30 percent.

"We have found a very receptive attitude here," Salvadoran Foreign Minister Jose Manuel Pacas said in Caracas, adding that mechanisms are being sought to alleviate the problem.

Perez Speech Viewed at SELA Meetings

PA0909003590 Caracas Venezolana de Television Canal 8 in Spanish 0000 GMT 7 Sep 90

[Text] Venezuelan President Carlos Andres Perez, upon opening the 16th SELA [Latin American Economic System] ministerial conference, warned of the danger that Latin American countries might try to act on their own regarding Bush's Initiative for the Americas. Perez admitted that, therefore, a Latin American economic opportunity might be missed for the region's urgent overall integration.

In his speech, President Perez made stark analysis of the region's realities and pointed out how timid and contradictory the Latin American countries' stances in favor of integration have been, integration that each day becomes more and more important in the industrialized world while we keep saying more than we do. We are now poorer than 10 years ago. Hence, Latin America's task in the 1990's must be focused on recovering and developing our economies and fulfilling the original principles that stimulated the creation of regional organizations such as SELA.

Perez lashed out at the Latin American leaders' lack of political willingness to lend proper scope and consistency to the integration project. He said that such leaders are short-sighted and still dominated by nationalist organizations, but that because the idea is to integrate ourselves, we should not act selfishly. This must be an overall, joint action to turn, not our backs but our faces to the world. The future depends on the materialization of this process, thinking not only along economic lines, but trying to settle disagreements between our nations. Amid these reflections, there emerges the Bush Initiative for the Americas, which Perez considers positive for the area, although early evidence of opposition has already appeared on the Latin American scene.

[Begin Perez recording] The industrialized nations must fight their protectionist impulses and increase our countries' purchasing power, because we cannot grow and pay the interest on our foreign debt if access to markets is denied us. The result would increase our purchasing power and mean a reduction in the U.S. commercial deficit. This would reinforce democracy and the restructuring policies, and countries with medium levels of revenue would become stronger. All of this entails these countries' taking upon themselves the responsibilities that overall regional development represents for Latin America. For this, however, it is necessary for us to make a concerted effort. [end recording]

The president concluded his speech before this distinguished audience by urging them to initiate this integration process so that we do not regret having lost this historic opportunity for Latin America.

Suriname

Rebel Base Falls; Final Attack Planned

PM0609145190 Amsterdam DE VOLKSKRANT in Dutch 4 Sep 90 p 1

[Wim Noordegraaf dispatch: "Bouterse Captures Langatabbetje From the Jungle Commando"]

[Text] Paramaribo—The Surinamese Army has captured the island of Langatabbetje in the Marowijne River from the Jungle Commando, an Army spokesman has announced. Since 1986 Langatabbetje has been the second base of the Jungle Commando. According to the Army, there was heavy fighting around the island. Three Army soldiers were reported to have suffered slight wounds.

In Langatabbetje, Ronnie Brunswijk, leader of the Jungle Commando, has lost an important base close to the inhabited coastal plain of Suriname. Just like Pokigron in central Suriname, Langatabbetje was of strategic importance because the island could be reached by road. It was also easy to travel to French Guiana from Langatabbetje to make contact with the outside world and to buy food.

Brunswijk's Jungle Commando now has only Stoelmanseiland and a number of villages on the upper Marowijne and the Tapahoni rivers in its possession. According to an Army spokesman, it is Bouterse's intention to open an attack on Stoelmanseiland immediately.

Plans Made for Government, Rebel Talks in Paris

FL0709184990 Paramaribo International Service in English 1730 GMT 7 Sep 90

[Text] Efforts are being made to organize a meeting in Paris between Social Affairs Minister Willy Soemita and Jungle Commando leader Ronnie Brunswijk.

In relation to this, in the past week, several discussions were held between President Shankar, the Front [for Democracy and Development] leaders, [words indistinct].

Minister Soemita said yesterday before his departure for Holland that he's in favor of a meeting with Brunswijk. [passage indistinct]

Indonesian Minister Signs Agreement, Departs

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[Text] Indonesia will send a technical mission to Suriname to investigate how the sugar and alcohol producing company, [name indistinct], can become viable again. This mission has resulted in an agreement yesterday between Suriname and Indonesia to work together in the areas of trade, agriculture, and industry.

Within this framework, Indonesia will send experts to Suriname to assist in these sectors. A delegation from the Surinamese private sector is expected to visit Indonesia shortly to explore possibilities for trade and the setting up of joint ventures.

Social Affairs Minister Willy Soemita, who signed the agreement yesterday, stated that it's not only important to receive [word indistinct] loans from other countries, it's more important, according to the minister, to have the technological know-how to carry out the project.

Minister (?Rustam) of Indonesia, who signed the agreement for his country, will leave Suriname today after a one-week visit.